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LARGEST CIRCULATION
OF ANY CANADIAN
FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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OF ANY CANADIAN
FINANCIAL PAPER

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The Nation's Business

- Lord MacMillan For Canadian Bank Probe?
- Export of Power Again Becomes Live Issue
- Former Views Modified
- Patronage Invades Civil Service

MacMillan Report For Canada

VARIOUS suggestions have been made as to who should head the Royal Commission that will investigate the banking and currency situation in Canada prior to the revision of the Bank Act in 1934.

There are in Canada men who would be capable of giving independent and useful direction to such an investigation. But it would give the deliberations of the Commission and their final report greater weight with the Canadian people if an outstanding judicial or economic authority from Great Britain were brought in by Mr. Bennett to head the commission. It has been suggested that the government would like to get Sir Josiah Stamp or John Maynard Keynes as chairman. Stamp is not primarily a monetary economist but his practical experience in finance, combined with his theoretical knowledge, would make him an admirable chairman. Keynes is a great authority on money but if he were chairman, it is just possible that he would attempt to turn the commission into a vehicle for the spread of his own particular views which are not universally accepted.

It would be a great stroke of business for Mr. Bennett to induce Lord MacMillan, who headed the Royal Commission on Industry and Banking in Great Britain in 1931, to head up a similar commission for Canada.

A MacMillan report, written with the same deliberate independence which characterized the main report of the MacMillan Commission, would be a document of permanent value to Canada.

* * *

Limited Power Export Is To Be Tried

QUEBEC'S proposal to permit the export of power marks an important change in the attitude of the government toward a policy which both politically and economically is one of major importance. For years past Dominion and provincial regulations prohibiting the export of energy have been in force. This policy has worked great benefits to those areas with abundant power supplies. New industries have been attracted, resources exploited and employment given to many thousands of workers.

Over the last two or three years the demand for power has not kept pace with the increase in generating facilities. In the province of Quebec there is an existing power surplus which will be further augmented over the next five years. Even with a return to more normal conditions the supply promises to be appreciably greater than the need. The operators naturally are concerned with the growing surplus as also is the government which derives a substantial income from the industry.

* * *

IN SEEKING to remedy the situation Premier Taschereau's government has decided in favor of permitting the sale of surplus energy in the United States. Legislation, now in course of enactment, permits maximum exports up to 250,000 h.p. It is expected that when this amount is marketed the provincial treasury will be enriched by an annual tax of around $500,000, while the operators will receive an additional income of at least $3,750,000. Were existing regulations to be carried on this revenue would be lost to the government and the operators for several years to come, while the burden of carrying excess capacity might seriously embarrass some of the producers.

While fostering the export power bill, the government has not changed its belief in the theoretical soundness of the non-export policy. But conditions are such that the temporary abandonment of a principle may work to the best advantage of all concerned as long as there is a genuine surplus of energy.

* * *

Spoils System Gains Strength

DEFENDERS of the merit system in the Federal civil service, having lost ground steadily in the past ten years, seem now to be in full flight.

No more striking evidence of

(Continued on page 2, col. 3)

CAN. HYDRO EARNS $21.82 ON PREFERRED

Now Controls 49 Per Cent of E. B. Eddy Co. Stock

OUTPUT GAINS IN '32

Report for Past Year Will Show Reduction in Debt—Liquidate I. P. Account

From Our Own Correspondent

MONTREAL—Canadian Hydro Electric Corp., controlling Gatineau Power and other International properties in Canada, earned $21.82 on its preferred stock in 1932. This compares with $18.44 in 1931; $15.40 in 1930; and $7.93 in 1929.

Financial statement for the past year will not be available until next week. Preliminary indications are, however, that both operations and financial returns for the past twelve months will show a general betterment over that reported for 1931.

Power Output Greater

An increase amounting to over 6,000 h.p. in sales under primary power contracts took place during the year, the total, including demand from retail consumers rising to 478,627 h.p.

Water conditions which had been unfavorable during 1931 returned to normal during 1932, making available additional amounts of secondary power for sale for production of steam by electricity. As a result total output of Canadian Hydro's properties advanced to 2,537,413,000 kilowatt hours, as compared with 2,423,056,000 kilowatt hours in 1931.

Earnings are Larger

Though particulars of income are not available, it is understood net earnings of the properties after all charges, including depreciation and dividends on the first preferred stock, were $1,978,056, or $422,510 more than reported in 1931. Of this improvement $47,848 represents increases in exchange profit on United States funds and $182,023 increases in profits on bonds and debentures redeemed. The exchange profit resulted from the sale of excess United States funds during the first half of the year. During the later half there was a loss on exchange averaging around $16,000 a month.

It is estimated that net earnings of Canadian Hydro Electric Corp. available for dividends on capital stock amounted to $2,728,056 in 1932. This compares with $2,305,546 in the previous year.

Dividend on Stocks

From 1931 income Canadian Hydro declared a dividend of six per cent on the $25,000,000 second preferred and $0.501 a share on the 1,000,000 shares of common stock, both of which issues are owned by International Hydro Electric System. Until the report is available it will not be known what distribution was made on the junior securities in 1932, but it is reported that a payment was made on the second preferred stock.

Secures Eddy Stock

The 1932 balance sheet of Canadian Hydro will feature two changes of importance. First is the fact that Canadian Hydro now owns 49 per cent of the capital stock of the E. B. Eddy Co.

This stock was acquired from Canadian International Paper, which indirectly is controlled by International Paper and Power Co., as is also International Hydro Electric System. The purchase price is said to have aggregated less than the value determined by an independent engineer after a thorough study of the properties.

The E. B. Eddy Co., besides being an important power customer of Gatineau Power, carries on pulpwood operations along the Gatineau River and owns all the water power rights and developments, except those already controlled by Canadian Hydro, on the Quebec side of the Chaudiere Falls on the Ottawa River at Hull.

I. P. Liquidate Advances

In its last report Canadian Hydro showed $2,556,313 as being due from International Paper and Power Co. During the year these advances were liquidated and the 1932 report is expected to show only current power bills due from International Paper and Power Co.

The balance sheet as at the end of last year will show a number of other changes of more or less importance, including the retire-

(Continued on page 2, col. 5)

R. C. Stanley Wields the Big Knife

No, the president of International Nickel Co. of Canada is not cutting a melon, nor is he pruning the dividend tree—that has been done. He is cutting the big birthday cake emblematic of the 50th anniversary of the discovery of the Sudbury nickel deposits. The occasion is the 34th annual meeting of the Canadian Institute of Mining & Metallurgy in Toronto.

No Good Reason Given For Ever Having Begun Abitibi Canyon Project

Ontario Government Unable to Produce Reasons for Backing Huge Power Plant That Has Now Come Back on Shoulders of Taxpayers

REAL BLUNDER WAS IN STARTING IT

Former Premier of Ontario, Hon. Howard Ferguson, now High Commissioner for Canada in Great Britain, entered blithely into the arrangements whereby the people and Government of Ontario are now saddled with the cost and maintenance of a project which soon will have available in the wilderness 240,000 commercial horsepower, largely unsaleable under present conditions. Premier George S. Henry is bearing the brunt of political attack at the moment because of the financial and political impropriety of his acting as negotiator in establishing the value of the Ontario Power Service Corp. property taken over while he held $25,000 of the bonds personally. Fanfare of trumpets and political warfare, however, do not obscure the fact that the whole project was premature and from the beginning under any conceivable arrangement would have meant loss to the Government and through the Government to the tax payer.

In statements of Premier George S. Henry and of Rt. Hon. Arthur Meighen this Abitibi Canyon project is painted as an act of foresight by statesmen who wanted to prevent Northern Ontario being in the grip of a power monopoly. They are faced, however, by opponents who demand to know in what way devotion to public ownership was shown by furthering the creation of a $23,000,000 private project to provide power unneeded by the province and in what way the province could possibly have figured in the contract other than as "milch cow" or as "sucker." As a reserve for the future development of the Far North in Ontario, Abitibi Canyon had undoubted value but as a completed project years before its time it was and is as sensible as it would be to make a pot of tea a day before it is needed.

No Mining Projects Held Up

The Financial Post has talked the matter of demand for power over with a number of prominent mining men familiar with the mining needs of Northern Ontario. They state that there is no mining project in Ontario held back for lack of power and that the claims of the Government are tommyrot that there are enormous quantities of low-grade gold ores which only awaited cheap power to be developed. In proved projects power does not mean more than 44 cents a ton of the total costs and prices charged are not regarded as unduly large in view of the fact that the supplying company has had to take pioneering chances in many districts and to charge high enough in consequence to meet possible losses. In any case, Canada Northern Power is delivering to all the chief enterprises in the established mining regions under contracts for permanent delivery. If the commission brings power at low rates in order to get business, it is doubtful if there are many large users of power in a position to dicker. If it could do so it would be uneconomic to parallel a complete system, now covering the field efficiently, with another. This is the sort of over-building that has already brought the newsprint industry to ruin and can as easily ruin the power industries of Canada. There are many who think the Government may attempt to purchase Canada Northern Power as the easiest way out. Certainly there is no project now being held up for lack of power. Nor was there in 1930 when this project was launched.

Why was it Started?

Premier Henry's various statements still leave one in a state of amazement as to why the enterprise was ever undertaken, why the Hydro-Electric Power Commission of Ontario was dragooned into signing a contract to take 100,000 of horsepower which could not in great part be placed under conditions obtaining then or since, why a year later in secret contracts Abitibi Power was induced to buy back power which it could not possibly have need of and why all this information was withheld from the investing and tax-paying public.

Divided Counsels

Divided counsels evidently obtained: In 1930 under the persuasive eloquence of Premier Ferguson it seemed to his colleagues evidently the right thing to do to push Ontario's Government railroad up to Hudson's Bay at a cost of $3,000,000, to engage the province's credit to guarantee a power contract which alone could make possible or profitable the Abitibi canyon $23,000,000 project and to get the Hydro Commission to spend $3,500,000 for a transmission line.

As things stood then the arrangement would have been a splendid one for Abitibi Power & Paper Co. With 100,000 horsepower sold to the province costs of the remaining power would be so low that it would have saved a great deal of money in steam conversion by saving cost of coal. But by the middle of 1931 by some alchemy yet unexplained Abitibi Power & Paper was induced to sacrifice this manifest advantage by taking back 35,000 horsepower for Abitibi Electrical Development when that company had already more power available from Ontario Power than it could possibly use.

And then in 1932 Abitibi went

(Continued on page 2, col. 3)

Dominion Gov't Restricts Beauharnois to 500,000 H.P.

From Our Own Correspondent

OTTAWA. — While the Government is withdrawing from the Beauharnois enterprise and leaving the future control and management of the project to the bondholders, it has been made clear in the past week that for the present at least the development must be restricted to 500,000 horsepower.

Prior to issuing the plan of reorganization commonly known as the Montreal Light, Heat and Power plan, the bondholders' protective committee made a strong effort to persuade the Government to enlarge the diversion rights of the company. Beauharnois now has the right to divert 53,000 second feet which is equivalent to 500,000 horsepower. The entire flow of the St. Lawrence is 220,000 second feet or 2,000,000 horsepower. Obviously, a commitment from the government assuring Beauharnois, ultimately, the entire flow would have made it much simpler to carry through any plan of reorganization. But the Government has declined to add to the company's water rights. It is commonly believed here that the whole river will go to Beauharnois some day, but the present attempt to translate this belief into fact has failed.

INTEREST TAX NOW CLARIFIED FROM OTTAWA

5% Payable by Canadians on Premium Currency Receipts

DEBTOR TO DEDUCT

Non-residents Exempt on Dominion Bonds — Must Pay on Other Receipts in Any Currency

From Our Own Correspondent

OTTAWA—In response to many enquiries from financial houses and private investors, C. F. Elliott, commissioner of income tax has prepared an official explanation of the new 5 per cent tax on interest payments and dividends. This statement has been forwarded to Hon. E. N. Rhodes, minister of finance, and will be tabled in parliament this week. Thereafter it will be printed as the equivalent to a departmental ruling with respect to this tax and will be made available for public circulation.

The statement, which may be accepted as the official interpretation of the new tax, reads as follows:

1. Two groups are affected:
   1. Residents of Canada.
   2. Non-residents of Canada.
2. The tax is 5 per cent of the total obligation in respect of interest or dividends in whatever currency settlement is made with the creditor.

Deductible at Source

3. On cheques representing interest or dividends the encashing agent makes no deduction as the tax, where exigible, will already have been deducted by the debtor. The encashing agent must, however, deduct the 5 per cent when negotiating bearer coupons representing interest or dividends to which this tax applies.

4. Debtor includes: Any person, body corporate, association or any combination thereof, whether under trust agreement or otherwise, and including Dominion, provincial, municipal or any subdivision thereof, religious, charitable and educational institutions under whatever authority sanctioned, or organized, and each and every other entity, either collectively or singly, within or without Canada, that is or may be under obligation to pay interest or dividends.

Tax on Residents

5. Residents of Canada:

(1) The tax applies:

To all interest and dividends paid paid by Canadian debtors in a currency ruling at a premium in terms of Canadian funds, with the following exceptions:

Dominion of Canada 5 per cent loan due Aug. 1, 1935.

Dominion of Canada 5 per cent War Loan due March 1, 1937.

Payments will be effected at 95 per cent of the liability—the remaining 5 per cent represents the tax exigible.

(2) Ownership certificate required:

(a) For all bearer coupons representing either interest or dividends paid by Canadian debtors irrespective of currency in which payable, with the following exceptions:

Dominion of Canada 5½ per cent Victory Loan due Nov. 1, 1933.

Dominion of Canada 5 per cent loan due Aug. 1, 1935.

Dominion of Canada 5 per cent War Loan due March 1, 1937.

Dominion of Canada 5½ per cent Victory Loan due Dec. 1, 1937.

Dominion of Canada 4½-5½ per cent conversion loan due Nov. 11 1958 (May 1 and Nov. 1, 1933 coupons only).

(b) For all coupons and all interest and dividend cheques issued by British or foreign debtors (irrespective of the currency in which payable).

Non-residents Ruling

6. Non-residents of Canada:

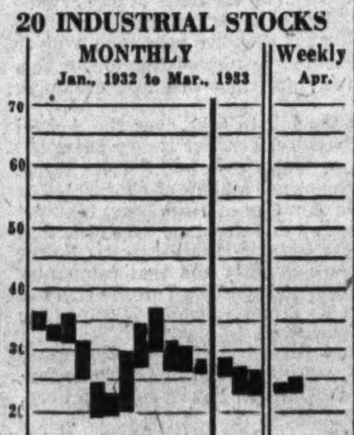
(1) The tax applies:

(a) To all interest received from Canadian debtors if due and payable solely in Canadian funds, with the following exceptions:

All Dominion of Canada bonds

(Continued on page 2, col. 6)

Stock Market



20 INDUSTRIAL STOCKS

MONTHLY Jan., 1932 to Mar., 1933 | Weekly Apr.

MARKET RECORD

20 Industrial Stocks	High	Low
Week of Apr. 11	25.2	23.0
Week of Apr. 4	24.6	23.1
Month of April, 1932	31.9	25.5
10 Public Utilities		
Week of Apr. 11	41	40
Week of Apr. 4	41	40
Month of April, 1932	50	44
8 Bank Stocks		
Week of Apr. 11	150	147
Week of Apr. 4	151	149
Month of April, 1932	192	192

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Beauharnois

The battle is joined. The Montreal plan and the Toronto plan are in the ring. The sponsors of the Toronto plan tell why they advance it. Page 1. The debenture holders' committee tell why they favor the Montreal Plan. Page 9.

Cons. Investment

Bondholders of Consolidated Investment Corporation will find a great deal of hitherto unpublished information about the company in an article on page 11. Bondholders object to plan. Page 5.

Mr. Herridge

Some interesting things (and a caricature by Cecil) about our minister to Washington who is busy getting through a waterway and a trade treaty. Page 3.

Income Tax

Soon you have to make out your income tax return. Useful pointers on how to do it given on page 14.

Prize Sucker

Such the politicians have made Ontario in the Ontario Power Service Corp. purchase. Information on some vital points that are being overlooked. Page 1.

Public Spending

Prof. Keynes and other leading British economists propose huge programmes of public works to create jobs and initiative recovery. His plans summarized, with the views of others. Page 13.

Planting Plans

How much wheat acreage the western farmers plan to sow this year. An early, and therefore particularly useful, survey. Page 1

The Port Racket

More facts about the manner in which the federal treasury has been raided to make wasteful expenditures on harbors. Page 4.

Toronto Group Insists Montreal Power Plan Unjust to Debentures

Debenture Holders and Dominion Government Put Up Most of Capital and Get Inadequate and Costly Share of Common Stock—Wants Interest Losses Recognized

MONTREALERS CRITICIZE "TORONTO PLAN"

The sponsors of the "Toronto Plan" for reorganization of Beauharnois Light, Heat & Power Co. express the feeling that they are placed at a great disadvantage in being forced to attempt to provide underwriting for their plan. They say their sole aim is to see that debenture holders are given the right to help themselves "to income and control of the business which their money has made possible." They would like to see the Dominion Government backing their plan, taking the stock that usually goes to underwriters and giving the right to debenture holders to assist in the financing and at the same time to protect themselves.

The criticism advanced by sponsors of the "Toronto plan" of the Montreal Power plan of reorganization is that under it debenture holders would contribute 54.07 per cent of the capital and receive only 19.69 per cent of the new common stock proposed, that the Dominion Government would contribute 26.23 per cent of the capital and get no capital stock and Montreal Power would contribute 15.77 per cent of the capital secured by first mortgage bonds and along with common stockholders who put up no capital receive 80.1 per cent of the new common shares, of which part would go to bonus the new bond issue if it were offered to the public.

Where Funds Come From

The source of funds advanced and to be advanced for Beauharnois under the Montreal Power plan is set out in the following table:

	Capital	Percentage of Total Capital	Common Shares Allotted	Percentage of Common
Debenture holders	$30,000,000	54.07%	150,000	19.69%
Interest due debenture holders, which is applied in constructing Beauharnois 1931-1938	12,785,000			
Dominion Government	16,000,000	20.23%	nil	nil
Banks	6,500,000	8.22%	nil	nil
Province of Quebec	1,352,000	1.71%	nil	nil
Montreal Power	12,480,000	15.77%	440,000	80.31%
Common shareholders	nil		172,000	
Totals	$79,117,000	100.00%	762,000	100.00%

Interest Losses Summed Up

The item of $12,785,000 shown above is made up as follows:

Debenture holders subscribed	$30,000,000
Interest lost to date	2,700,000
Interest dropped from Apr. 1, 1933 to Oct. 1937 (4½ years)	8,100,000
Interest at 5% on above losses	1,985,000
Total income sacrificed	12,785,000

Commencing April 1, 1938, debenture holders will receive first cash payment of five per cent or $1,800,000 per annum on $36,000,000 debentures, which is the amount they should now be receiving each year, say Toronto plan sponsors. The fact that no income compensation whatever is made to debenture holders for the interest losses totalling $12,785,000, that they must sustain up to April, 1938, is one of the chief points of criticism.

Cost of Underwriting High

Of the $30,000,000 subscribed by debenture holders only $23,741,000 reached the treasury of Beauharnois Light Heat & Power Co. In his report of June, 1932, Arthur F. White, vice-president, showed 20 per cent of the face amount of the debentures to have been allocated as follows:

To Underwriters	$3,000,000
To First Beauharnois Syndicate	739,000
To Beauharnois Syndicate net	2,250,000
The Aird payment	120,000
Marquette Investment Corp'n in connection with the Nat'l. Press Corporation	150,000
	6,259,000

New Investment Asked

Further comments on the "Montreal Plan" by sponsors of the "Toronto Plan" are as follows:

"The debenture holder will be given the privilege of purchasing the $13,500,000 of 5½ per cent bonds at 95 so that it is obvious that in addition to the true interest loss of $12,785,000, debenture holders, on purchasing the first mortgage bonds, would have to pay a further $12,825,000 bringing the cost of the bonds to $25,610,000 (which is equivalent to a price of $1,897 per $1,000 bond). The income return on this investment of $25,610,000 would be $742,500 representing 2.90 per cent cash return on the investment.

"If debenture holders purchase the $13,500,000 of first mortgage bonds at 95 their contributions to Beauharnois will total $55,610,000

"They will receive cash return as a result of the above investment from April, 1933 to April, 1938, totalling annually $742,500 or a sum equivalent to less than 1.35 per cent per annum on the total investment made by debenture holders.

"Commencing April, 1938, debenture holders if they purchase the

(Continued on page 5)

RATE JUMP SEEN AHEAD FOR NON-PAR

Canadian Actuaries Believe Present Schedules Too Low

Actuarial experts of Canadian life insurance companies are in agreement that premium rates on non-par policies should be raised, The Financial Post learns. Probabilities are that a general increase in such rates will be made during the year by most companies. Just how substantial the increase will be has not yet been determined.

Opinion in this regard which has been growing for some time, crystallized this week at a meeting of the Actuaries' Club of Toronto. This club, whose membership includes practically all life insurance actuaries in Canada has had this topic under discussion for some time and this week met to hear L. K. File, associate actuary of the Canada Life lead the discussion with a report which went definitely on record as favoring substantially higher rates for this type of policy.

U. S. Rates Already Up

Of added importance is the fact that an increase of roughly 5 per cent in non-par rates was introduced by the "Hartford" companies effective April 1. The increase applied only to policies at age 45 or higher and was made effective by the Travelers, Aetna and Connecticut General. Similarly Sun Life of Canada has announced an almost similar increase in the United States territory although nothing has been done as yet by this company in respect of its Canadian business.

According to Mr. File, many if not all Canadian companies are writing non-par. business at rates that "must be resulting in a loss" and that "it would seem the part of wisdom to take steps forthwith to increase rates to such an extent to make them at least self-supporting."

Mr. File submitted a short sur-

(Continued on page 10)

ACREAGE CUT IN '33 WHEAT NOT IMMINENT

Winnipeg Expects Not More Than 5 Per Cent Decrease

WEATHER VITAL

Seed Shortage Seen as Chief Deterrent Factor—Oats Acreage Expected to Gain

From Our Own Correspondent

WINNIPEG. — As the seeding season commences in Western Canada it does not appear that there will be any very important reduction in wheat acreage this year, although that will partly depend upon weather between now and the middle of May. The maximum reduction in acreage is hardly likely to exceed 5 per cent.

No matter what may have been said to farmers about the desirability of reducing world wheat production until surplus supplies are used up, no individual farmer has been or is likely to be moved by such arguments. Nor do prices, discouraging as they are at present, seem to provide any deterrent to production. So long as a farmer has land suitable to be seeded, seed to put in, the necessary machinery and power, he will not let it lie idle if he can avoid it. Economic pressure tends to reduce wheat production on very large "capitalistic" farms, of which there are many in the southwestern United States, but comparatively few in Canada, but production on the "family farm," which is the staple unit in Western Canada, shows a remarkable strength to resist such pressure.

Seed Shortage on Some Farms

In some cases wheat seeding will be limited by shortage of seed on individual farms. Always fairly large quantities of seed wheat require to be purchased. To some small extent this is due to the movement of tenant farmers, and the consequent failure to retain seed wheat, and also to a limited extent to inability of a farmer with a large farm to retain seed enough for all of his operations. More frequently it is due to crop failure, or to the production of wheat that is not good enough to be used as seed. Farmers have had little difficulty in procuring seed wheat in the past, either on credit or on municipal or provincial seed grain loans. Such of these as are granted this year are likely to be limited in extent.

No land seems likely to go out of cultivation for lack of an occupant. While some farmers have been dispossessed on account of debt, and others during the past two years have moved away from parts of the drier districts in the south, and there is an annual wastage from death, illness and age that requires to be made good, farmers' sons are remaining on farms, or taking up other farms to greater extent than ever before. City attractions no longer serve to take a large annual toll of the farm population.

Good Demand for Farms

There is consequently a good demand for rentable farms. Certain areas in the drier districts of both Alberta and Saskatchewan which were formerly cultivated have, during several years, been in process of abandonment, but a good deal of that has already been accomplished, and no further increase likely to affect materially the production of wheat seems to be likely this year.

It is somewhat surprising to find no opinion in the country that land may remain unseeded for lack of adequate machinery, since farmers have been unable now for several years to do much to renew their equipment. But seed drills, it is pointed out, have a long life, and much may be done by repairing, to stretch out the usefulness of machines that in more prosperous times might have been replaced.

No Worry About "Power"

It is more surprising to find little apprehension on the question of power. The use of horses instead

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A HAT WITH "CHARACTER"

$7.00

Some men get quite attached to their old hats, they say they have character; but here's a hat—Borsalino's—which have a very definite character of their own.....even when they are new. Try one on at Eaton's. See how smart it is, how it seems to fit in with whatever you are wearing. It blends dash with dignity. New and smart, yet never too obviously so. Many men will wear these hats this spring. You should be among them.

MEN'S HAT DEPARTMENT
Main Floor—Yonge Street
T. EATON C° LIMITED

U. S. Pact May Open Cattle, Sheep Market

From Our Own Correspondent

OTTAWA.—In diplomatic quarters at Ottawa and Washington, in the private sanctuaries of the governments of Canada and the United States, preparations for the reciprocity negotiations soon to begin are far advanced.

Premier R. B. Bennett's announcement on Monday that he had received and accepted an invitation from President Franklin Roosevelt to visit Washington is taken to mean that he will take part not only in negotiations concerning matters of direct interest to the two countries—such as a trade treaty—but in the informal conference which is to prepare the way for the World Economic parley.

The date of Mr. Bennett's departure has not yet been fixed. He may not be able to get away until after the Easter recess which terminates April 18. But when he goes, the high officials of both countries will have a very clear grasp of the difficulties which bar the way to a reciprocity treaty, and between now and then much consideration will be given to the degree to which both sides can compromise.

Meeting is Vital

There is not the slightest disposition at Ottawa to minimize the importance of international events that at last are afoot. It is clearly recognized that President Roosevelt has it in his power to make an offer to Canada which will do more to revive our agricultural industry, to stimulate basic production, than all that governments have been able to do in the past three years. It is equally recognized that he will insist upon substantial concessions from the Bennett gvernment and that these concessions may prove, in effect, to be a turning point in our fiscal history.

Possibilities Viewed

Ottawa's approach to the impending negotiations is simply: "What can we get and what must we yield?"

The basic facts are scarcely in doubt. With regard to concessions in the United States markets, it is regarded as very significant that within the past week President Roosevelt withdrew from the list of key agricultural products to which his proposed agricultural relief policy is to apply two items—cattle and sheep. It is understood that he will open the American market to Canada in both.

In addition it is believed he will offer substantial tariff reductions on lumber, hogs, dairy products, potatoes, fish and other primary products.

In return it is unanimously conceded that he will insist upon the Bennett government abolishing the special tariffs now in force against the United States. These include all order-in-council dump duties, fixed values, restricted discounts, exchange dump duty, etc. At one blow this will lower the tariff against the United States by at least 40 per cent. The exchange dump alone stands today at 20 per cent. Moreover, the United States trade experts are reported to have agreed that the Canadian intermediate tariff is of little advantage. It has been written up so close to the general tariff that the difference is no longer attractive. Therefore, Washington is expected to urge special tariff concessions on manufactured goods such as automobiles, radios, textiles, agricultural implements and the like.

Quite clearly if Premier Bennett enters into a treaty of this kind, he will have to follow it up by substantial reductions of tariff against Britain. The British dump and exchange duties will not survive the repeal of similar imposts against the United States. And with both gone, the Canadian tariff would have undergone a severe downward revision for the first time since September, 1930.

Assets Holdings Has Revenue of $41,396

From Our Own Correspondent

MONTREAL.—Assets Holdings Ltd., which took over the assets of the Greenshields brokerage estate, shows a total revenue of $41,396 for the period ended February 28, 1933, with expenditures of $22,015, leaving a balance of $19,381. Securities owned, the chief source of revenue, produced $39,590 while expenditures include interest of $12,458 and general and administration expenses, including organization expenses, of $8,409.

Total assets are shown at $813,972 consisting principally of securities owned and securities pledged against loans, less a provision for possible loss on realization. Total liabilities are $1,416,465, chief of which is $1,220,230 of 3 per cent cumulative redeemable debenture stock.

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The Nation's Business

(Continued from page 1)

the inefficiency and ineffectiveness of the Civil Service Commission could be offered than the record of the successful attacks which successive governments have made upon its authority. This commission is presently being reorganized and unless the Federal government selects strong men and gives them adequate support, the "spoils system" will soon be triumphant throughout the service.

During the war, the Union government practically put an end to patronage. The revised civil service act offered real hope that the merit system had been permanently incorporated into the laws of the land; that public men at last, had come to realize that patronage means endless worry, loss of efficiency as well as of political prestige.

But as the Union government gradually took on the complexion of a Conservative administration, the cry for patronage once more became audible and in succeeding years Conservatives and Liberals, it would seem, have conspired to undo all the good that was done during the war-time political holiday.

* * *

TO BEGIN with, the income tax branch was placed on a patronage basis outside the jurisdiction of the Civil Service Commission. The reason given at the time was that the income tax was a special war measure; that it would be repealed when the war was over. These hopes, of course, proved quite illusory, but later efforts to take the income tax branch out of the hands of the politicians proved fruitless. Then came the Soldier Settlement Board, which was exempted from the Civil Service Act for similar reasons. The employees of this board were chosen largely on the patronage basis with the result that overstaffing and inefficiency persisted until recently.

When the Liberals came into office, there was no change for the better. Successive sessions of Parliament saw numerous increases in the number of persons appointed to jobs by the government and the annual estimates carried special votes for their pay. These votes always were headed—"notwithstanding anything contained in the Civil Service Act."

And finally the Liberals withdrew the entire customs preventive force from the control of the Civil Service Commission. Nothing could have demonstrated more strikingly the depth to which the commission had fallen.

* * *

WITH the advent of the Bennett government, the commission itself reached a condition of virtual breakdown. For months the commissioners have been living in daily fear of being dismissed. They have been on "suspended sentence," a condition scarcely conducive to independence, to resistance of political influence. And recently came the second severe blow to the merit system in recent years. The government has proposed legislation removing the penitentiaries service—with an expenditure of some $2,736,875 per year and a pay roll approximating $1,900,000—from the control of the commission. It, too, now passes to the spoils system and hereafter appointments will be made by the government, and doubtless on the recommendation of local members and defeated candidates.

The Tariff Board is being similarly treated and there are rumors of a corresponding change in the Radio Commission.

These are retrograde steps which will not be received with favor by the country at large. The government should appoint a strong Civil Service Commission and, having done so, should restore to it complete control over Federal employees, working in cooperation with the permanent deputy heads of departments.

Highlights of Unloading Power Project on Ontario

A power contract was negotiated in 1930 between Ontario Hydro-Electric Power Commission and Hudson's Bay Power Co. (later Ontario Power Service Corp.) to sell the former 85,000 horsepower from Abitibi Canyon project by October 1, 1932, at $13 per horsepower and rising amounts until 100,000 horsepower would be delivered at Hunta in 1936, Ontario Government agreeing on July 29, 1930, to indemnify the commission from any loss or liability. Abitibi Power agreed with its subsidiary, Hudson's Bay Power, to take surplus of power from development of 240,000 commercial horsepower, and to guarantee completion by October, 1932.

In July, 1930, $20,000,000 par value of 5½ per cent bonds were sold to underwriters for $18,000,000 and by them to the public on the basis of this contract with Hydro-Electric Power Commission and to a much smaller extent on the guarantee of Abitibi Power & Paper.

Government Changes Horses

Premier Ferguson was appointed High Commissioner for Canada, Hon. George S. Henry took his place and in June, 1931, Rt. Hon. Arthur Meighen, former prime minister of Canada, became a member of the Ontario Hydro-Electric Commission.

Abitibi Power & Paper Co. entered into contract with the Commission to buy 10,000 horsepower for 20 years for its high cost paper plant at Espanola, a plant which has not since operated and may never operate again.

Abitibi Electrical Development Co., a wholly-owned subsidiary of Abitibi Power & Paper Co., agreed on October 1, 1931, to purchase from the Commission 35,000 horsepower for 40 years, taking it at Canyon site, where parent company already had reserved to them 140,000 horsepower.

Made Its One Real Sale

Ontario Hydro-Electric Commission entered into contract with International Nickel Co. to deliver the latter 16,000 horsepower and built a transmission line from Hunta to Sudbury, the line being of the heaviest type of steel construction and with a carrying capacity of 200,000 horsepower.

Premier Henry was informed early in 1932 that Abitibi Power & Paper Co. would be unable to supply funds to complete Abitibi Canyon project.

Alexander Smith, president Abitibi Power & Paper Co., proposed that the Government or the Ontario Hydro-Electric Commission should in some way or other assist the company to ensure completion of plant. Definite proposal eventually was that the Government should advance money to complete project on the security of second mortgage bonds to be guaranteed by Abitibi Power & Paper Co.

Government consulted auditors of Ontario Hydro-Electric Commission and counsel on Abitibi proposals which were rejected as it was felt that the state of the newsprint industry might make it difficult for Abitibi to make good its guarantee.

Government Takes Plunge

Abitibi Power & Paper Co. made default on payment of interest on its own bonds on June 1, 1932, and in August it went into the hands of a receiver, while a petition in bankruptcy was also granted.

On June 23, 1932, Ontario Power Service Corp. advised the Premier that it would be difficult under existing financial conditions to finish the project and requested the Government to take steps to ensure completion. On the same date Abitibi Power & Paper Co. wrote the Premier that it could not supply the necessary funds to its subsidiary. The Government decided to acquire the project for province as sole owner.

On July 25, 1932, the Premier made a public statement of his intentions to take over the property, explaining that cheap power was needed to stimulate the mining industry and particularly to encourage the development of low-grade mining properties which could not otherwise be developed.

A. J. Nesbitt, on unstated dates in 1932, as president of Northern Ontario Power Co., which supplies power to the Porcupine, Kirkland Lake and other mining districts, offered to take over and finish the property on an undisclosed plan, but was refused.

Large bondholders offered to put up money to complete the project, but the Government refused, as it had then decided the property should be conducted for the province and not for a private corporation.

On July 6, 1932, work ceased.

Helped Out Bondholders

On August 5, 1932, at the request of the Government the Ontario Hydro-Electric Power Commission made an offer of its bonds to bondholders of the Ontario Power Service Corp., on the basis of 90 per cent of par value and with interest reduced from 5½ per cent to 3½ per cent for the first five years, four per cent for the next five years and five per cent for the next ten years. The Premier estimated that under this plan bondholders sacrificed in interest, principal and loss exchange between $7,000,000 and $8,000,000.

On April 5, 1933, in introducing the bill to take over the Abitibi Canyon property in the Ontario Legislature, Premier Henry answered insistent questions as to ownership of Ontario Power Service bonds taken over with the information that he owned a block of $25,000 bonds bought in August, 1930, when he was Minister of Highways, that the North American Life Co., of which he is a director, held $200,000; that Hon. Arthur Meighen, a member of the Ontario Hydro-Electric Power Commission, owned $3,000 of the bonds directly and that companies with which he is connected hold $213,000, and that the Toronto General Trusts, of which Hon. Charles McCrea is a director, held $104,000. (See article carrying their explanations elsewhere.)

On April 11, 1933, the Legislature passed the bill implementing the measures of Government to take over the Abitibi Canyon property and the assets and liabilities of Ontario Power Service Corp. for the province.

The next step, as announced by Premier Henry, will be to finish the project for an estimated amount of $2,500,000.

NO GOOD REASON GIVEN FOR HAVING BEGUN ABITIBI

(Continued from page 1)

into receivership and those contracts to buy back power meant nothing.

Bought As Investment

Premier Henry said, in explanation of his position, that $25,000 of bonds were bought as an investment on the open market at a time when he bought other securities as a way of investing money received through selling control of Farmers Dairy Co., and that when he learned that Abitibi Power & Paper Co. could not complete Abitibi Canyon project he felt that it would be improper for him to take advantage of information other bondholders did not have. He did not inform his colleagues in the Government of his ownership of these bonds because he felt that they should come to a decision on the merits of the case.

Meighen Denies Inside Knowledge

On April 6, 1933, Rt. Hon. Arthur Meighen gave an explanation of his relationship to the matter in the Ottawa Senate. In addition to $3,000 bought on the open market by himself on November 30, 1931, six companies as follows held the bonds: Canadian General Investments, an investment trust of which he is chairman of the board, $41,000; Dealers Finance Corp., of which he is president, $43,000; Fourth Canadian General Investment Trust of which he is chairman and managing director, $24,000; London & Western Trust Co., of which he is president, $35,000; Third Canadian General Investment Trust Co., of which he is chairman and managing director, $15,000; Canadian General Insurance Co., of which he is chairman and managing director, $55,000; or $213,000 in all.

Rt. Hon. Arthur Meighen stated that he had no inside knowledge of the purchase of the Abitibi Power development, that Hydro did not participate in negotiations after he became a member of the commission in June, 1931. He claimed that there was almost no moment when any matter affecting the securities of the Ontario Power Service Corp. were in the slightest or remotest degree within the discretion or disposition of the Hydro-Electric Power Commission of Ontario. He added that 'there never was a time when there was the slightest restriction on me either personally or in any other capacity because of my membership of the Ontario Hydro-Electric Commission from purchasing" any of these securities.

"This contract," he said, "was made on the responsibility not of the Hydro-Electric Power Commission but of the Government of the province because of the view of that Government that the project was a useful and desirable one worthy of encouragement and necessary for the development of Northern Ontario."

Commission is Trustee

Rt. Hon. Mr. Meighen pointed out that the Hydro-Electric Power Commission was a trustee for the owning municipalities and that the Ontario Government only made appoinments to it because it was the banker in providing funds for purchasing properties, and for initial financing. The Commission was completely distinct and independent of and not a Department of Government in any sense whatever. It was therefore Government decision that the Abitibi project should be made a Government enterprise "rather than to let it fall into the hands of others."

"Their idea," said ex-Premier Meighen, "was doubtless that it was their duty to see that there was no power monopoly established in Northern Canada."

Mr. Meighen said that his companies were not consulted at all in the course of the negotiations and that he had no more idea of the progress of negotiations than what everybody got through the press. It was only after negotiations were completed toward the end of July or the beginning of August, 1932, that the Government asked the Commission to act as its agent in the acquirement of the property. The terms had been announced for the exchange of bonds and the Commission became a conduit pipe after determination of the value. The Commission had a contract to accept power and would have had to live up to it but there was nothing within its discretion that would in any way affect the value of the bonds. Neither he nor his companies got the return of more than their capital and a reasonable interest. His own share in these companies was a fraction of one per cent.

Other bondholders of importance in the list were as follows: Wood, Gundy & Co., $582,000; London Canadian Investment Corp., $250,000; Roycan & Co. of Montreal, $950,000; Wood, Gundy & Co., Montreal, $53,000; A. E. Ames & Co., $150,000; Imperial Life $200,000; Manufacturers Life, $200,000; North American Life, $200,000; Mutual Life, $200,000; Trusts & Guarantee Co., $100,000; and British Overseas Bank, $500,000.

Competitor Makes Offer

Points of interest during negotiations to take over the property, as recounted by the Premier, were as follows:

First, Ontario Power Service Corp. wanted Montreal Trust to pay out interest to bondholders on July 1, 1932, even though there was not enough money on hand to complete development because Montreal Trust Co. had $2,500,000 in trust for completing project when other funds were made available, but Government stated that it would not proceed with negotiations if money were paid.

Second, large bondholders wanted dollar for dollar in Hydro-Electric Commission bonds, or in lieu of this offered to put up money to complete the plant themselves, but Government had made up its mind by this time "that it was desirable in the public interest that the property should be wholly owned by the province and should not be conducted in the interests of a private corporation."

Third, Government under its plan had a smaller loss than it would have had if project had been completed and it had to make good its guarantee of the Commission against loss on its contract to take 100,000 horsepower. It could also by spending $2,500,000 more complete the project and have 240,000 horsepower instead of 100,000. He did not explain in what way the province would benefit by having 240,000 of unsaleable horsepower instead of 100,000 as by the other project, but evidently the Government is leaning heavily on the future.

CAN. HYDRO EARNS $21.82 ON PREFERRED

(Continued from page 1)

ment of approximately $707,200 of funded debt obligations.

These retirements will cover a reduction in Canadian Hydro's miscellaneous obligations from $15,100 to $11,000. Gatineau Power first mortgage bonds will be shown at $70,266,500, down from $70,604,000 at the end of 1931. Gatineau's six per cent sinking fund debentures were reduced during the year by $322,500 to $10,820,500, while the Series B debentures outstanding remained unchanged. Gatineau's miscellaneous obligations were cut $43,111 to $449,000.

Other investments, which were carried in the 1931 balance sheet at $360,000 are expected to show an appreciable increase owing to the acquisition of the stock interest in the E. B. Eddy Co. and other enterprises.

The report on last year's operations will show that operating revenues of Canadian Hydro, although derived about one third from the sale of power to pulp and paper mills, were not adversely affected by the acute depression in those industries.

Since the beginning of the year, however, there has been some decline in earnings of Canadian Hydro as compared with the corresponding period a year ago when a profit was being realized from sale of excess United States funds. The lack of profit on exchange since the middle of last year has been due, as pointed out, to the liquidation of advances made by Canadian Hydro to International Paper and Power Co. and which were repayable in American funds.

INTEREST TAX NOW CLARIFIED FROM OTTAWA

(Continued from page 1)

and bonds guaranteed by the Dominion of Canada, irrespective of currency in which payable.

(b) To all dividends received from Canadian debtors irrespective of the currency in which the payment is made.

Payments will be effected at 95 per cent of the liability—the remaining 5 per cent represents the tax exigible.

(2) Ownership certificates required:

Only if the non-resident desires to establish identification for British or foreign domestic tax credits. Upon application to the Income Tax Division of the Department of National Revenue, Ottawa, an official certificate for such purposes will be issued.

Forms Required

Form 600—(ownership certificate—pink)—For use only by Canadian residents when no tax deduction required. While the forms first supplied call for details of the issue, date of maturity and serial numbers, these particulars need not be furnished. The name of the debtor, however, must be shown.

In filling in the amount received show the actual amount received by the creditor and if in a currency other than Canadian this must be indicated, e.g., "U. S. funds," "sterling," or as the case may be.

Form 601—(ownership certificate—buff)—For use by Canadian residents whenever a tax deduction is required. The use by non-residents is optional.

While the forms first supplied call for details of the issue, date of maturity and serial numbers, these particulars need not be furnished. The name of the debtor, however, must be shown.

In filling in the amount received show the actual amount received by the creditor and if in a currency other than Canadian this must be indicated as with form 600.

In addition to the information required on this form the amount of tax withheld must be shown in lieu of stating how many coupons attached.

Form 602—For use by Canadian debtors in listing form 600. Form 600 must be obtained by the debtor in each case where his creditor presents coupons or bearer warrants for redemption at the office of the debtor. In such cases form 602 with related forms 600 is to be forwarded to the inspector of income tax for the district on or before the end of the month next succeeding receipt of the forms 600.

Form 603—For use when despatching a payment of the tax to the inspector of income tax for the district. Remittances from outside of Canada will be sent to the Inspector of Income Tax, Ottawa.

Form 609—For annual use by Canadian debtors for reporting interest paid during the calendar year, such forms to be filed, on or before the last day of February in each year, with the inspector of income tax for the district.

8. General information.

(a) In cases where a Canadian resident forgoes the premium in respect of coupons optionally payable in Canadian funds, or in a currency ruling at a premium in terms of Canadian funds, there will be no deduction for tax, but form 600 should be used.

(b) In determining the tax liability under the general provisions of the income tax law, the tax paid is not a credit against the tax payable under the general law. Under the general income tax law, dividends, interest and premiums (if any) will be reported less the 5 per cent tax.

(c) The tax of 5 per cent is a direct tax to be borne by the recipient of the interest—or dividends.

(d) No tax is to be collected in respect of interest due and payable or in respect of dividends declared and payable prior to April 1, 1933, even though the payment is made on or after the said date. No ownership certificate is required.

(e) Where interest and dividends in lieu of being paid are credited, the tax, if eligible, shall apply.

The law came into effect April 1.

ACREAGE CUT IN '33 WHEAT NOT IMMINENT

(Continued from page 1)

of tractors has come back to a remarkable extent, and the only explanation of the existence of a sufficient number of horses to do all the work expected is that power farming had not been in progress sufficiently long for all the horses which, for a number of years were only of limited usefulness, to be disposed of.

That farmers who have not sufficient horsepower will in some way or another be able to finance the necessary oil and gas for tractors seems to be generally assumed. It is on the question of power that the matter of seedtime weather assumes especial importance. The use of tractors can accomplish wonders in getting a large amount of work done in a short time, for they may be kept in continuous operation from sunrise until dark. But no matter how willing a man may be to work, the working day of a team cannot be profitably stretched beyond eight hours. If weather is unfavorable the seeding season can be too short to allow a full programme to be carried out with horses, while with tractors that danger simply does not exist.

Oats Increase Expected

Some increase is to be expected in areas devoted to oats, in order to raise horse feeds as an effective substitute for the purchase of gasoline, but that will after all not cut down the wheat acreage to any great extent.

Some increase is also to be expected in the production of feed grains for the production of livestock for sale. Reports from many parts of the country indicate that many farmers are planning an increase in their livestock operations.

More Land Fallowed

An increase is also to be looked for in the extent of land summer fallowed in order to get rid of weeds. When wheat prices are high a farmer is frequently tempted to ignore sound farming practice, and to seed land that is not fully prepared. There are few parts of Western Canada where it is not sound practice to fallow land every third year, and there are large areas where experience points to fallow every second year as important. In times like these the tendency is the other way, and it may even happen that a shortage of power will prevent land going into crops that really ought to be fallowed.

Reduction of acreage on this account is not important from the standpoint of final out-turn, for it is from the well prepared land that the good yields come, and it is only in occasional years that the production from ill-prepared land is large.

Howey's Operating Profit $86,000 in Last Quarter

Preliminary production figures by Howey Gold Mines shows the value of the output for the three months ended March 31, 1933, was $282,000 from 87,000 tons of ore treated. This is equivalent to a recovery of $3.24 per ton including exchange compensation.

Further reductions were made in operating costs which totalled $2.25 per ton of ore. Estimated operating profits for the period were $86,000.

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May Attractions . . .

Royal Academy Art Exhibition, London—Chelsea Flower Show, London—Golf: Open Championship, St. Andrews. Ladies' Open, Gleneagles—Opening of Royal Naval, Military and Air Force Tournament, London (Olympia)—Rowing: "Eights" Week, Oxford.

FRANCE—Spring style shows in Paris—All winter shows still running—Racing at Vincennes.

GERMANY—Brahms Centennial Festival opens at Wurzburg—Annual Agricultural Exhibition at Berlin—Kaiser Wilhelm Society for Advancement of Science in Berlin.—Wagner Year Concerts.

ITALY—Holy Year Celebrations—International Exhibition of Modern Arts at Milan—Fête of "Calcio" at Florence—Vienna Philharmonic Orchestra at the Augusteo, Rome—Royal Grand Prix Auto Races in Rome.

CZECHOSLOVAKIA—Napoleonic Congress at Prague—International Students' Lawn Tennis Tournament at Prague.

SWEDEN—16th Swedish Fair at Gothenburg.

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INTERNAT. HYDRO SHARE EARNINGS $2.72 LAST YEAR

Decline in Consumption Affects Earning Power

HELPS FINANCES

Only One Bond Maturity Before 1941 — Make Reduction in Loans — Profits Lower in 1933

From Our Own Correspondent

MONTREAL—International Hydro Electric System, controlled by International Paper and Power Co. reports consolidated earnings available on the Class A shares, after all prior charges, including depreciation and dividends on preferred stocks of the system, and after year end adjustments, of $2,336,043. This is equivalent to $2.72 a share on the average number of Class A shares outstanding during the year and compares with $3.20 a share for 1931.

During most of the past year International Hydro's properties reported a steady decline in total consumption of primary power in the American territory which was offset to some extent by an improvement in the Canadian area. Total output of the properties now controlled by International Hydro aggregated 4,866,141,700 kw.h. in 1932 compared with 4,685,180,100 kw.h. in 1931.

Details of Income

Particulars of income for the past two years follow:

	1932	1931
	$	$
Revenue	63,640,766	57,576,396
Less: Oper. expense..	24,069,151	21,987,530
Maintenance	3,457,117	3,442,736
Net revenue	36,114,498	32,146,130
Less: Interest of sub.	13,908,308	11,777,931
Interest of system..	1,800,000	1,800,000
Depreciation	5,019,772	4,355,235
Amort. of disc.	1,147,935	938,941
Res. income tax	1,428,438	1,329,903
Sub. divds.	8,510,238	7,274,697
Min. int.	1,477,014	1,451,556
Balance	2,827,799	3,217,867
Brought forward	6,636,063	5,613,775
	9,463,862	8,831,642
Less: Pfd. divds.	491,756	499,867
"A" divds.	*413,679	1,695,772
Balance forward	8,558,427	6,636,063

*Cumulative dividends from April 1, 1932 to December 31, 1932, total $1,287,295.

Working Capital Position

	1931	1932
	$	$
Current assets	17,290,248	16,875,161
Current liabs.	23,192,204	16,965,372
Net	*5,901,956	*90,211

*Excess of current liabilities over current assets.

Better Financial Position

The improvement in the working capital position is one of the features of the balance sheet of the system at the end of 1932. Another feature is that, with the exception of one bond issue maturing in 1937, the system has no capital obligations to meet until 1941.

Among capital liabilities of the system at Dec. 31, 1932, funded debt shows an increase of about $5,000,000 to $279,255,313. Notes payable have been reduced from $15,611,155 to $9,636,081. A further reduction of $3,000,000 in notes payable has been effected since the end of the year.

Comments on Results

Following are the remarks to the shareholders, in par, by Archibald R. Graustein:

"Indebtedness of International Hydro-Electric System to International Paper and International Paper and Power Co. as of December 31, 1931, totalled $2,614,456 after giving effect to the transactions referred to on the balance sheet in the 1931 report. As of the same date International Paper and Power Co. owed to subsidiaries of the system $2,100,910, so that the net indebtedness to International Paper Co., etc., shown by the consolidated balance sheet of International Hydro-Electric System and subsidiaries at December 31, 1931, was $513,546.

"During 1932 all debt of International Paper and Power Co. to system subsidiaries was liquidated and International Hydro-Electric System reduced its indebtedness to International Paper and Power Co. to $1,838,247, as shown by the attached consolidated balance sheet at December 31, 1932. During the first three months of 1933 this was further reduced to $1,564,962.

Charge Stock Values

"At the annual meeting on April 26, 1933, stockholders will be given an opportunity to authorize the change of all the system's previously authorized shares without par value, both issued and unissued, into the same number of shares of the same classes respectively with a par value of $50 a share in the case of the preferred stock, $25 a share in the case of the Class A stock, $20 a share in the case of the Class B stock, and five cents a share in the case of the common stock. This will involve no change in total capital and surplus as an amount equivalent to the difference between the present stated values and the proposed new par values will be transferred from capital account to paid in surplus.

Situation Still Uncertain

"During the first three months of 1933 there have been no definite indications of improvement in the demand for power service in the territories served by properties controlled by International Hydro-Electric System. On the contrary, there have been further declines in consumption of power in New England both for industrial and domestic purposes. Operating revenues of the Canadian properties, although derived about one-third from the sale of power to pulp and paper mills, have as yet not been adversely affected by the acute depression in those industries. During 1933 to date there has, however, been some decline in earnings of the Canadian properties as compared to the comparable months of 1932 when a profit was being realized from sale of excess United States funds.

"Progress is being made in reducing operating and administration expenses, but interest and taxes, which are two of the largest items of cost, are fixed charges and not subject to administrative control. While a portion of the drop in gross revenues has been offset by increased operating efficiency, net earnings are still showing a downward trend."

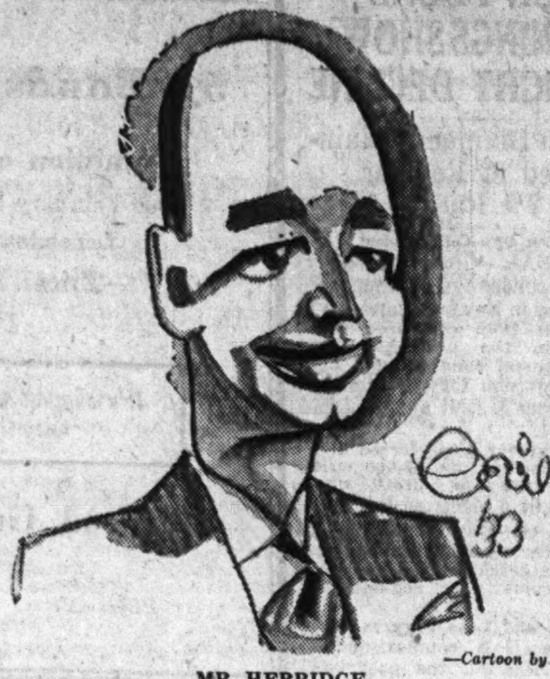
Dominion Engineering Position Has Improved

From Our Own Correspondent

MONTREAL.—Since the issuance of the annual statement in February last, the position of Dominion Engineering Works has undergone an improvement, according to a statement made by President G. H. Duggan at the annual meeting of the shareholders.

One of the company's subsidiaries, Dominion Hoist and Shovel Co. received an order from the Montreal Harbor Commission for two locomotive cranes which are now under construction. This work will give a fair amount of employment, while considerable other incidental business has been secured.

In Thick of Washington Negotiations



—Cartoon by Cecil.

MR. HERRIDGE

Many of his progenitors were ministers. He's a minister of another kind. He jumped from the manse to a legation.

Ex-Liberal, W. D. Herridge Seeks Fame in Reciprocity, St. Lawrence Negotiations

Tories Have Never Fully Accepted Their Leader's Friendship for Minister to Washington — Is Brilliant Young Lawyer

By RICHARD CHURCHILL

With the reciprocity negotiations between Washington and Ottawa advancing rapidly and successfully, with a world conference in the offing, the Dominion is swinging into one of the most important years in recent times.

Chiefly two Canadians, two or three Americans, a handful of leading public men the world over, are directly in charge of the various negotiations upon which, to a considerable extent, the future prosperity of this and other countries depends.

Two Chief Canadians

Premier R. B. Bennett and Hon. W. D. Herridge, our minister at Washington, are the two Canadians who are responsible for the fashioning of Canada's reciprocity and other international policies. In the sanctuary of diplomatic quarters, in the well-guarded offices of the East Block at Ottawa each move is being carefully considered.

Premier Bennett, of course, is one of the best known of Canadians. He has been a public figure for more than thirty years. But of Mr. Herridge, who flits back and forth between Washington and Ottawa, granting no interviews, making no speeches—the public knows very little. He is Mr. Bennett's brother-in-law; he got what he went after in the St. Lawrence Waterways treaty. These are the two events in his career most commonly remembered.

He has many qualities commonly believed to be fatal to success in public life. He is not a good mixer, does not impress at first acquaintance. Many prominent Canadians have left Herridge with the thought "There is a queer chap to be our minister at Washington." But, as diplomats go, official Ottawa feels that Herridge is making a success of the job.

Product of Manse

His background is interesting. He is a product of the manse. His father, the late Dr. W. D. Herridge, was pastor of St. Andrew's Presbyterian church at Ottawa for thirty years. His grandfather was a leader in the Methodist church, also a pulpiteer, and his maternal grandfather wore the cloth with distinction in the Established Church of Scotland.

Born at Ottawa in 1888, Herridge grew up in the shadow of Parliament Hill. He was educated in the Ottawa schools and at Toronto University, where he was a classmate of Hon. Vincent Massey, whom he was later to succeed as Canadian minister. Herridge and Massey were pals, and a very close intimate of both of them was Rt. Hon. W. L. M. King.

Herridge became a lawyer but before he had time to found a practice he joined the army and went overseas. He distinguished himself as brigade major of the Second Canadian Infantry Brigade, became a warm personal friend of Sir Arthur Currie.

Patent Attorney

After the war he returned to Ottawa and built up a good law practice—specializing in patent disputes. With his career at law came important public services. Herridge formed the Canadian League, an organization of returned soldiers. He took a deep interest in all matters affecting the welfare of the returned men.

In more than one respect, Herridge's career seems to have turned upon his capacity for friendship. And, in many ways, his affection for Lord Byng had decisive effects not only upon his own future but upon Canadian affairs. The political upheaval of 1926 found him warmly supporting the governor-general and severely critical of his life-long Liberal friends. The ultimate result was a change in his political affiliations. He ceased to be a Liberal; became a Conservative. King and Massey knew him as a fellow campaigner no longer.

Perhaps this is a trifle unjust to him. While his warmest personal attachments in those days were with such Liberals as King and Massey, it is not on record that Herridge ever took a pronounced stand on political matters.

Friendship Born on Train

These developments, however, were purely incidental to his subsequent career. They were essential, but fade into insignificance in view of what was to come. It may be doubted if Herridge even knew Bennett in 1926. The first meeting between these two men, it is believed, took place at the funeral of Eugene Lafleur, leading lawyer of Quebec. This was in the spring of 1930. They travelled to Montreal on the same train and at the end of the journey they were friends. Bennett was greatly impressed by the ability of the young patent attorney and thereafter they saw much of each other. Herridge volunteered his services to Bennett in the general election. Bennett accepted and Herridge toured the country with the Conservative leader, acting as friend, counseller and super-secretary in the campaign.

That one who was known to have had life-long relations with Liberals could penetrate at one bound into the very heart of the Conservative party was, and is, a matter of astonishment to the old line Conservatives. Their hopes that the intimacy would gradually wither after the election were not fulfilled. With Bennett installed in the East Block, Herridge was more than ever in evidence. The two were constantly to be seen together; they were inseparable companions. Herridge went to London with the Prime Minister in 1930, acting, once again, as a general factotum.

The fears and suspicions of the true blue Conservatives now knew no bounds. Other ministers who accompanied the London expedition, returned to tell of the intimacy between the two men, of how Herridge stood closer to the premier than his colleagues. Conservatives, now acutely conscious of the newcomer, began to ask "Who is this man? Why is he admitted to communion when others are refused the presence? Is he not a raw recruit? Do our scars and sufferings in the cause count for nothing?" One disillusioned warrior was heard to remark: "Herridge enlisted in the Conservative party as a field marshal." The old guard who had fought with Borden and Meighen, held the trenches of opposition through weary years of adversity, murmured openly.

Pushed to Front

Instead of heeding these murmurs, Bennett advanced Herridge rapidly to the very forefront of the party. And, finally, he crowned him with one of the great prizes of public life—the ministership at Washington. The Conservative press, astonished to hear of the possibility of such an appointment, had hastened to advise care in the selection of our diplomats. Bennett ignored their advice; ignored the dark whisperings from his own ranks of insurrection, rebellion, tumbrils and the guillotine. He made the appointment, called the press gallery over to his office and paid Herridge one of the most glowing tributes that one public man may pay to another.

The fact that Herridge had recently become the Prime Minister's brother-in-law gave the appointment an ugly complexion throughout the Conservative party. The Prime Minister has never forgiven the Montreal Gazette for opposing the selection. But time has done much to vindicate the selection, and Conservatives today, while not entirely resigned to it, are quite satisfied that their leader was not motivated by a desire simply to do Herridge a good turn.

For whatever else he may be, Herridge is not a place-hunter. He is shy, aloof, a lover of the outdoors. Public position, fame, honor, power—these mean little or nothing to him. It is well known, today, that Herridge accepted the post against his own wishes.

Three Years as Meteor

But apart altogether from the political side of his career, apart from what Bennett thought of him, what the Conservatives thought of him—there is the sheer romance of his story. Three years ago he was a patent lawyer arguing cases in the courts: today he is Canada's minister at Washington, handling affairs of state of supreme importance to every man, woman and child in this country. Three years ago he was known only to a small circle in Ottawa and to returned soldiers. Today he ranks high in the social calendar of this and other countries. He hob-nobs with the great of Washington; with privy councillors of Britain.

And is romance done with him? Having spirited him, in the manner of the Arabian Nights, from the law office to the charmed circle of diplomacy, will he be abandoned to trudge along the road of statecraft?

May Go To London

Who knows? The Conservative party, and Ottawa's patricians did not take him seriously at first. Today they take him too seriously. Or is that possible? Today he is to Bennett what Col. House was to Wilson. He is sometimes called the, "Fortunate Youth," after Thackeray's Warrington. Tomorrow he may leave Washington to succeed Hon. Howard Ferguson as this Dominion's representative at the heart of Empire. Certainly there are rumors of the return of Ferguson to Ontario. And if Ferguson returns, it is conceded that Herridge will be his successor.

The story goes that the reciprocity negotiations now advancing so rapidly, were eagerly welcomed, if not inaugurated, by Herridge, and that he intends to leave no stone unturned in carrying them through to a trade treaty between the two great countries of this continent.

Interested in Dredging

A report from Dawson, Yukon, says a representative of the United States Smelting & Refining Co. is on the lookout for desirable dredging property. The company have two dredges at Nome, which may be dismantled and placed on Sulphur Creek, if arrangements can be made with the local mining company.

Mrs. Harold F. Ritchie Takes Up Sales Torch

Widow of "World's Greatest Salesman" Essays Task of Controlling Business Built Up By Her Husband

By B. T. HUSTON,
Editor, Canadian Grocer

Another Canadian woman is assuming a big rôle in the business world. She is Mrs. Harold F. Ritchie, widow of the late founder of the widely known Ritchie business. She becomes president of the Harold F. Ritchie Co., Toronto, Harold F. Ritchie Co. Inc., New York and the British Harold F. Ritchie Company in England.

These are all selling companies through which are marketed not only the goods of International Proprietaries Limited (Eno's Fruit Salts, Thermogene), but many other food and drug lines.

The Ritchie business represents a vast organization covering nearly every country in the world with offices in five large Canadian centres, six in the United States, several in South America, Cuba, British West Indies, Mexico, Honolulu, China, Australia, South Africa, Germany, France and Spain. It is recognized as the largest independent specialty selling organization in the world.

With Mrs. Ritchie as the president and others who have been closely associated with the founder for a long time continuing with it, the organization is left in experienced and capable hands. Although Mrs. Ritchie will not spend as much time in the supervision of the company's affairs as did her late husband, she will give them the necessary attention. She was with her husband in their office in the early days after their marriage and familiarized herself with the work practically from the beginning. In later years she accompanied Mr. Ritchie on many of his famous trips throughout the world. She has flown with him from office to office and from country to country. It was just about a year ago that she made the trip by airplane around the company's offices and the plants of International Proprietaries in South America. She therefore has kept closely in touch with things throughout the years in which the business has been developed. She is in a position to carry on the work laid aside by the man who was recognized as "the world's greatest salesman." Since she assumed her new duties, Mrs Ritchie has already been to the United States headquarters in New York City and she visits the head office on McCaul Street, Toronto, regularly every day.

The late Mr. Ritchie surrounded himself with a number of able salesmen and merchandisers. Among these were C. M. Hemming and Ruthven Hay.

Mr. Hemming has been in charge of the British office for some years and recently came over to New York and Toronto to help arrange the future plans for the various Ritchie companies. He has been named vice-president. It is quite likely that eventually he will be located permanently on this side of the water.

Mr. Hay, who has been closely associated with Mr. Ritchie, continues as managing director of the various concerns. He is also widely travelled, familiar with every detail of the widespread business.

S. M. Screaton, director of sales, also has had much experience in the operations of the Ritchie firm. J. H Spence continues as secretary and C. H. MacDougall as treasurer.

But at the head of the business is a woman, once a nurse, then the able associate of her husband in his struggling days, in time a social leader, and now a magnate of merchandising.

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA.—Highlights of the week in Dominion Parliament were:

April 5, House of Commons: Budget debate continued.

Senate: First reading given to bill amending the Royal Canadian Mounted Police act. Bill dealing with Visiting Forces of the Commonwealth received third reading.

April 6: G. C. Power, Liberal, Quebec South, moves first reading of Hospital Sweepstakes bill.

April 7: Hon. Hugh Guthrie introduces further amendments to the Criminal Code dealing with minor matters such as the throwing of stench bombs. Hon. R. J. Manion, minister of railways, introduces bill to meet the refunding, the deficit and the capital requirements of the National Railways this year—totalling $61,000,000. Duff railway legislation is further considered in committee. A. A. Heaps, Labor, moves amendment providing that employees thrown out of work by reason of co-operative economies be entitled to compensation—defeated 49-21. G. C. Powers moves second reading of the Hospital Sweepstakes bill but it is talked out.

April 10—Premier R. B. Bennett announced that he has received and accepted an invitation to visit President Franklin Roosevelt at Washington, on a date yet to be fixed. The bill providing money for the refunding, deficit and capital expenditure requirements of the National Railways is read a first and second time and referred to the special committee on the National Railways. Budget debate continues.

Senate — Amendment to Criminal Code, restricting use of firearms, further considered.

Banking and Commerce Committee—Consideration of Canada Shipping legislation discontinued and the impression is created that it will be stood over until 1934.

April 11—Budget debate finally concluded. Government's majority 107 to 72.

Ontario

TORONTO, April 5—Ontario Power Service-Abitibi Canyon deal under discussion. Premier Henry admitted ownership of $25,000 O. P. S. bonds.

April 7—Bill to curb obscene articles in publications brought down by Attorney General Price. Transfer from the department of highways to the Ontario municipal board of the authority to review and pass upon applications for commercial vehicle and truck licenses provided in a bill introduced by Hon. Leopold Macaulay, minister of highways.

April 10 — Premier Henry introduced bill to validate relief spending. Bill to prevent a commissioner of the Power Commission from being on the board of directors of any corporation affected by the acts of the commission or holding shares, bonds, debentures or any other securities of companies which may be enhanced by action of the commission received first reading.

April 11—Premier Henry's position on Abitibi purchase endorsed by legislature. Reduction of seats from 112 to 90 unanimously approved by redistribution committee and tabled in house. Among the larger cities, Toronto will lose two seats, Ottawa, Hamilton and London, one each, while Windsor will retain its two seats.

Manitoba

WINNIPEG, April 4 — Resolution passed calling for committee to consider report of the Winnipeg Electric Railway. Political jobbery in connection with road work was charged by J. T. Haig, K.C.

April 6—It was announced that before the legislature prorogues the government will introduce a resolution urging the Dominion Government in co-operation with the provinces, to take action with the object of getting interest rates reduced.

April 7—Members voted themselves a 7 per cent cut in salary. Premier Bracken charged misrepresentation occurred in a letter circulated throughout the province by a group of business men urging the formation of a committee to reduce expenditure in place of additional taxation.

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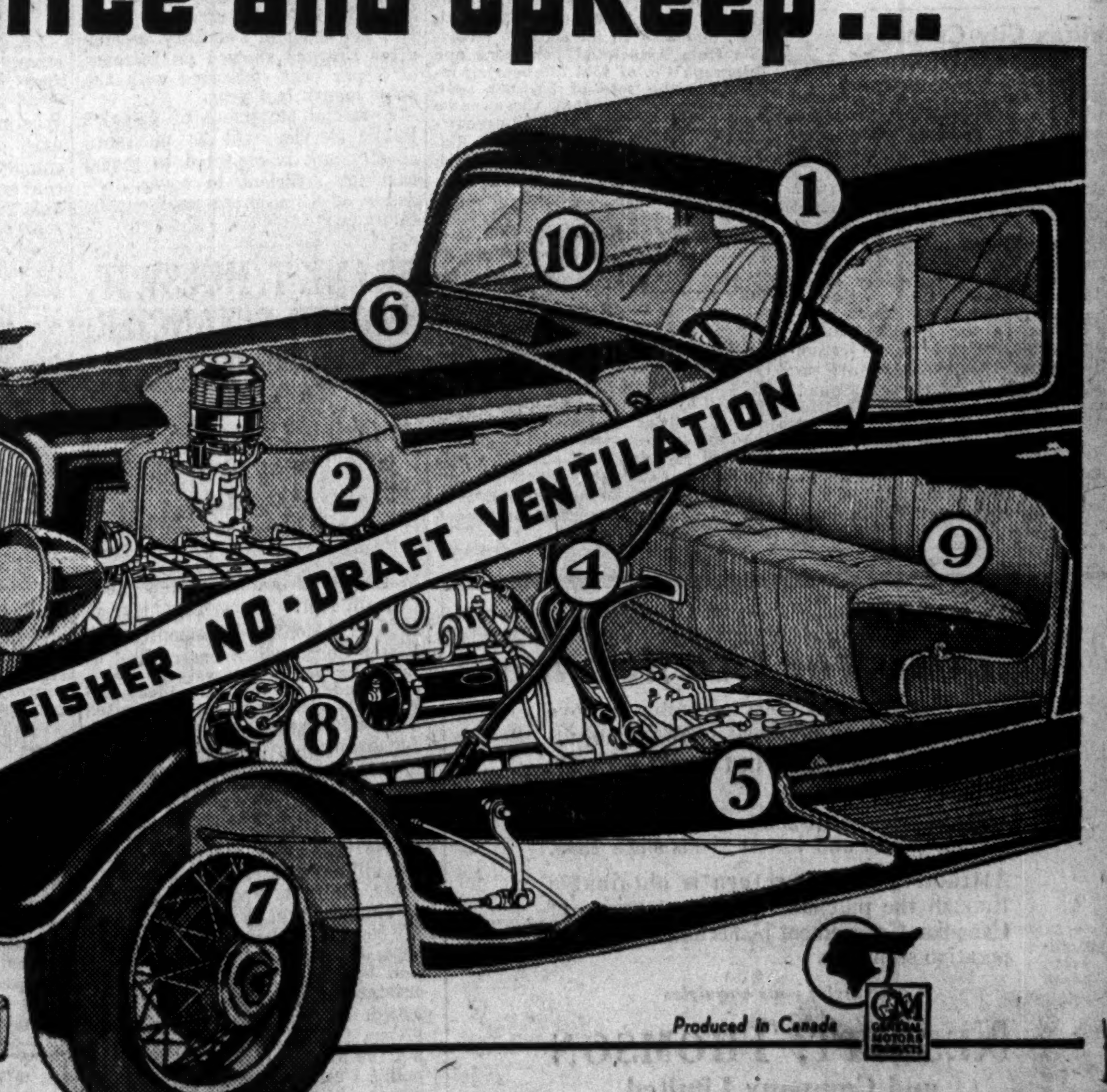

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Utilities and Transportation

POWER OUTPUT RECORDS GAIN FOR FEBRUARY

Daily Average Production Greater Than Reported for 1932

From Our Own Correspondent

MONTREAL. — Average daily output of central electric stations in Canada for February last was greater than for the same month in 1933, though the volume of production was somewhat less owing to the shorter month.

Production amounted to 1,299,566,000 kw.h., for a daily average of 46,413,000 kw.h. as compared with an output of 1,325,133,000 and daily average of 45,693,000 kw.h. in February, 1932.

The improved showing for February this year was principally due to the larger production recorded by the Quebec central stations. The Maritimes had the largest percentage decrease, while the other areas reported a falling off in production ranging from less than 1 per cent up to 8 per cent in the case of Ontario.

Output by Areas

Production in the five economic areas for February, 1932, and 1933 follows:

(Thousands of Kilowatt Hours)

	February 1932	February 1933
Maritimes	46,998	33,143
Quebec	682,589	718,527
Ontario	355,865	328,816
Prairies	115,399	104,085
B. C.	97,041	93,542

Daily Average Higher

The daily average production for the same areas during the same period was:

(Thousands of Kilowatt Hours)

	February 1932	February 1933
Maritimes	1,621	1,184
Quebec	23,537	25,662
Ontario	12,271	11,564
Prairies	3,979	3,717
B. C.	3,346	3,341

The foregoing figures do not take into consideration production of energy generated by fuel; they apply only to hydro-electric stations. The amount of power generated by the former method is relatively small and is principally confined to the Prairie Provinces.

Power Export Position

There was a slight improvement in the export of power in February as compared with the preceding month, but the volume is still well under that reported a year ago. Owing to the shorter February this year, the volume of exports was not quite so large as in February, 1932, as shown in the following comparative table:

(Thousands of Kilowatt Hours)

	Total	Daily Average
1932	46,440	1,659
1931	52,422	1,808
1930	145,461	5,195
1929	110,645	3,952
1928	122,906	4,238
1927	121,829	4,351
1926	98,086	3,503

Supply Was Less

Electrical energy available for consumption in Canada during February last was 82,000,000 kw.h. less than in the previous month and 7,100,000 kw.h. under that reported for the same month last year, according to returns compiled by the Dominion Bureau of Statistics. In comparing February, 1933, with the same month last year, a difference of one day should be noted.

For February, 1933, energy available amounted to 1,131,800,000 kw.h. This compares with 1,213,200,000 kw.h. in January, 1933, and 1,138,700,000 kw.h. for February, 1932. The high month for energy available for consumption in the past year was in November when 1,282,100,000 kw.h. were reported.

Ontario Reports Gain

Feature of the report for February this year was that energy available in Ontario was higher than for the same month last year, having amounted to 447,400,000 kw.h. as against 440,900,000 kw.h. Ontario and Quebec were the only economic areas to report an increase. The Maritime Provinces reported a decline in energy available from 55,000,000 kw.h. in February, 1932, to 42,400,000 kw.h. for the same month this year. Quebec's available energy increased from 546,300,000 kw.h. to 549,400,000 kw.h., while British Columbia available supply was off from 96,500,000 to 92,600,000 kw.h.

Halifax City Council Oppose Utility Merger

From Our Own Correspondent

MONTREAL.—The special committee of the Halifax City Council has gone on record as being unanimously opposed to legislation sponsored by the Nova Scotia Light and Power Co. seeking to confer on the Public Utilities Board the power to establish regional rates for electrical energy. This request was made by Nova Scotia Power in order to further its plan for the merging of Avon River Power and other subsidiary properties.

Last year Nova Scotia Power made application to the Public Utilities Board for authority to merge its subsidiary properties, but this move was opposed by the city on the grounds that the rate structure for Halifax might be affected by such a deal. It was suggested that a regional rate basis be established for the Halifax system but this was not possible under the authority granted to the Public Utilities Board by the provincial government.

Maritime Tel. Cuts Dividend To 60 Cents

From Our Own Correspondent

MONTREAL.—Dividends on the common stock of Maritime Telegraph and Telephone Co. have been reduced to an annual basis of 6 per cent compared with a former rate of 8 per cent paid since 1928, with current declaration of a quarterly dividend payment of 15 cents a share. The action was expected since O. E. Smith, president of the company, in the 1932 annual report to shareholders, stated that directors would consider a reduction in dividends until improved conditions were apparent.

Earnings last year were equal to 23 cents a share on the $3,595,760 of $10 par value common against disbursements of 80 cents a share resulting in a deficit of 205,698 for the year. In 1931 earnings were equal to 37 cents a share. Preferred dividends were earned in 1932 and are being maintained on the regular 7 per cent basis.

Leading telephone companies in Canada in which there is a public investment interest have all reduced common dividends. These companies include Bell Telephone Co. of Canada, British Columbia Telephone Co. and New Brunswick Telephone Co.

B. C. TELEPHONE SHARE EARNINGS TOTALLED $6.82

Cash Due from Associated Tel. & Tel. Converted Into Notes

From Our Own Correspondent

MONTREAL.—Installations of British Columbia Telephone Co. in 1932 dropped 6.44 per cent, totalling 108,911 at the end of the year, and operating revenue was $4,749,156 compared with $5,102,504 in 1931. No provision for employees benefit fund or pension fund was made last year, but after other charges, net profits were $636,677 compared with $686,769 in the previous year.

After payment of preferred dividends at the regular rate there remained a sum equal to $6.82 a share on the common stock. Dividends totalling $7.25 a share were paid resulting in a deficit of $19,573. In the previous year, an $8 dividend was paid on the common resulting in a deficit of $3,231. The stock is now on a $7 dividend basis.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Oper. revenue	4,749,156	5,102,504
Less: Expenses	2,459,677	2,943,656
Taxes	310,471	
Empl. ben. fund	......	43,634
Net oper. earnings	1,979,008	2,115,214
Add: Non-oper. rev.	163,356	165,609
Net earnings	2,142,364	2,280,823
Less: Depreciation	900,112	1,038,183
Bond interest	562,187	*540,126
Amort. bond disc.	35,066	......
Emp. svg. plan int.	8,322	7,745
Pension fund	......	8,000
Net profit	636,677	686,769
Less: Preference divs.	60,000	60,000
Preferred divs.	270,000	270,000
Common divs.	326,250	360,000
Deficit for year	19,573	3,231

*Includes amortization of bond discount.

Working Capital

	1932 $	1931 $
Current assets	2,131,309	3,704,223
Current liabs.	141,199	143,514
Net work. capital	1,199,110	3,560,709

Working Capital Declines

Noteworthy in the balance sheet is a change in cash receivable from Associated Telephone and Telegraph Co., resulting in a drop in working capital. In 1931 there was an item of $2,846,615 shown as due on demand from Associated Tel. and Tel. from sale of bonds. This became payable in June, 1932, but in view of general financial conditions it was found impossible to obtain settlement in cash. The amount, however, was reduced by $339,973 and the remainder appears in the balance sheet as $1,974,906 of 5½ per cent notes due August 1, 1937, and also as an account receivable from Associated Telephone and Telegraph Co. of $531,736 bearing interest at the rate of 5½ per cent. It is pointed out that these notes were given by Canadian Underwriting Co., incorporated in British Columbia for that purpose and which has acquired from Associated Tel. and Tel. assets to support these notes which are, in the opinion of directors and auditors sufficient for that purpose.

Other changes among assets include an increase of $106,000 in cash which totals $218,532, an increase of $634,000 in inventories at $984,558 and elimination of investments which formerly totalled $99,670. Unamortized debt, discounts, etc., has been reduced by $35,000 to $914,465.

In liabilities reserve for pension fund has been increased by $22,000 to $590,720 and depreciation now totals $7,273,758. Contingent reserve is unchanged at $988,458 and no change is shown in capital structure or funded debt.

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ASSEMBLY FAVORS EXPORT OF POWER BY QUEBEC FIRMS

Approval of Council and Ottawa Needed Before Way is Clear

From Our Own Correspondent

MONTREAL.—Export of power from Quebec to the United States has been approved by the Quebec Legislative Assembly. It remains for the Legislative Council to give its approval and the receipt of authorization from the Dominion authorities before actual export is undertaken.

The bill provides that the governor-in-council can issue a permit authorizing the export of power up to 250,000 h.p. The power can only be sold at a price not less than that for which it is sold in Quebec. Though reference has been made to placing a tax of $2 a horsepower on exports, the bill does not contain any reference on this point.

Export of power can only be undertaken after issuance by Dominion authorities of an annual permit. There has been no comment by the Dominion Government on the changed policy of the Quebec Government, other than that the matter had not been put before it.

Objects to Bill

One of the main objects of this bill was to "strike a death blow at the St. Lawrence deep waterways plan," according to a statement made by Premier Taschereau during the debate on the bill. Among the principal proponents of the scheme in the United States were New York and the New England states. The scheme appealed to them because of the power development that would be undertaken as a result of deepening the river.

If Quebec were to offer those states 250,000 or 300,000 horsepower for a year—a quantity he considered "insignificant when the vast resources of the province are taken into consideration"—those states would cease championing the St. Lawrence development and the Assembly "would be doing this province and Canada as a whole a great service."

JAMAICA FEELS WORLD CONDITIONS ONLY SLIGHTLY

Utility Company Experiences Higher Power Sales in Some Parts

From Our Own Correspondent

MONTREAL.—Had it not been for the hurricane of last year which destroyed about one-third of the banana crop in Jamaica, business conditions there would show but little reflection of the world depression, according to Russell D. Bell, president of Jamaica Public Service, Ltd. who has returned from his annual visit to the island. The banana crop is vital to economic conditions in Jamaica. Prices, however, have held up well and growers are still getting over two shillings a stem.

Outstanding in operations of the utility company last year was the increased demand for power at Montego Bay served by St. James Utilities subsidiary of Jamaica Public Service Co. This district had a noteworthy tourist revival and increased building and business activity may result in an additional unit being installed at the local power plant. The latter presently comprises a Diesel unit.

Stem Tramways Losses

In Kingston and district, main centre for operations of Jamaica Public Service existing installations are able to take care of demands. Tramway operations have been on a better basis for some months owing to regulation of competition from buses. Hitherto considerable losses have been incurred from this competition but these are gradually being flattened out.

This has found reflection in earnings during the current year. For the two months ended February 28, 1933, net earnings were down 1.72 per cent; in February surplus after charges showed an increase of 3 per cent compared with the same month last year.

Financial statement of Jamaica Public Service will be published shortly and is expected to reveal earnings sufficient to cover dividends of $1 a share paid on the common stock during the year.

FRANK T. HULSWIT, POWER FINANCIER, SUDDENLY KILLED

Amazing Career Included Operations in Western Canada

Frank T. Hulswit, who fell from a window of his fiftieth-floor suite in the Hotel Astor at New York City on April 2, was organizer in 1927 of American Commonwealths Power Corp., which has control of far-flung power interests in Western Canada as well as widespread interests elsewhere in the United States. It started such an energetic expansion programme in 1929 that important power interests from the Southern States to Canada came under its aegis. At the end of 1930 it was affiliated with interests whose combined assets exceeded five billion dollars.

Mr. Hulswit, who was president of United Light & Power Co., lost $10,000,000 in the market slump of 1926 and achieved national attention by his comeback to such an outstanding position in the power world. He worked with Cyrus S. Eaton, former Canadian, in effecting the merger in 1924 of Western public utilities companies. His comeback to a powerful position after his losses in 1926 and his ousting from positions of power in different organizations he had helped to create resulted from the fact that he had confidence of stockbrokers who returned him at the first opportunity and because he was a fighter. American Commonwealths Power is now in receivership, and it is possible that Canadian subsidiaries may be lost to it in July if commitments cannot be met.

Port Administration Tangled in Politics

Commissions Regarded as Organizations for Control of Important Patronage — National Port Policy Would Check Much Waste

From Our Own Correspondent

MONTREAL.—Will the Government adopt recommendations made in the Gibb report, and reorganize the present system of port administration? Harbor Commissions have spent large sums in recent years on undertakings which have not been economically justified; financial procedure and engineering has been open to criticism, the system as a whole is generally regarded as unsatisfactory and has in large part lost the confidence of the users of the ports. Moreover, Harbor Commissions have become so inextricably mingled with party politics that they are now widely regarded as organizations for the control of important political patronage.

Weak links in the present system are not hard to find. In the first place it has almost been the invariable practice for commissions to change personnel completely with a change in government. Holding office for an indefinite and possibly short period, commissioners tend to become impatient to carry out important new works. In this they may be influenced by two factors: to assist local business by the circulation of federal funds, and to leave behind them some memorial of their enterprise, an unfortunate but human desire. Whatever their motive, Harbor Commissions have spent over $120,000,000 in the past ten years.

System Paves Way for Extravagance

Commissions again are prone to condemn wholesale the plans and proposals of their predecessors, and to evolve, if possible, an entirely different scheme, owing to the political atmosphere in which they operate. Appointments to even the most subordinate positions have been personally dealt with by commissioners, often in conjunction with the local party patronage office. Purchase of supplies and stores has generally been taken into the hands of the president or one of the commissioners, who interviews tenderers and settles contracts. Through this procedure the way is paved for extravagance and needless expenditures. Payrolls are inflated, engineering is extravagant and contractors rub their hands as millions are donated by a generous Government on unproductive and unjustified port works.

Sir Alexander Gibb in his national ports survey expresses the opinion that Harbor Commissions have never attempted to fulfill what he believed to be one of the principal objects of their creation. It was originally the intention, he says, that Commissions should stand as a buffer between the Government and the insistent demands of local politicians for the expenditure of public money on various works of greater or less utility. In practice, the reverse has obtained, and the Commissions have become leaders in campaigns for new developments. Millions have been spent on uneconomical undertakings while ports have vied with each other in their efforts to pry open the public purse. It might be well to point out here that the Gibb report pays tribute to the Commissions of Montreal and Vancouver. It says that they provide a type of administration at least the equal of any to be found on the North American continent, and notwithstanding mistakes, developments under these bodies generally have been sound and justified.

Not Commissions but System to Blame

In reviewing the system of administration under Harbor Commissions, the Gibb report strikes at the roots of the system. It says:

> "These criticisms are not directed at individual commissions, present or past, nor do I feel that in any case the commissions as a whole are to blame. If their activities have sometimes outrun the bounds of business prudence, the auspices have been respectable and influential. If there have been failures due to the personnel of commissions, the fault lies with those responsible for the selection. But this does not affect the situation that exists now, where the system is generally recognized as being unsatisfactory, and has in large part lost the confidence of the users of the ports. It had many good points, but in several ways conditions have outgrown it. I consider indeed that it might have collapsed before this, had it not been for the department's restraining hand."

Ports Administered by Various Bodies

There are fourteen Harbor Commissions established in Canada. Federally appointed commissions are in charge of ports at Montreal, Quebec, Vancouver, Halifax, Saint John, Three Rivers and Chicoutimi. Wholly or partially municipally appointed commissions are appointed for Winnipeg, Toronto, Hamilton, Trenton, Belleville, North Fraser and New Westminster. In addition there are 303 ports administered by the Department of Marine, and two by the Department of Railways and Canals. In all, there are 399 ports dependent on federal funds in varying degrees.

Two points strongly stressed in the Gibb report are the need for a revision of financial and operating procedure of Harbor Commissions. Many recommendations are put forward with a view to tightening up control over capital expenditures, improving engineering construction, and also for actual reduction in operating expenditures. It is pointed out that a total saving of hundreds of thousands of dollars might be effected if the five major ports were run on business lines. Will the Government take heed and move to check leaks which have drained the treasury of millions in recent years?

Should Adopt National Port Policy

There is no justification for extensive developments at any of the ports in the immediate future, says Sir Alexander Gibb, who recommended that there should be a period for consolidation and for the introduction of economics. Proposed developments should be reviewed and decided on two main counts, only: their economic justification and their effect on the national port policy. The near provision of facilities will not create traffic, says the report, though it is an easy and frequent argument to justify expenditure.

Cater to Three Boats

Port Churchill is a monumental example of the strong need for a national port policy. Another is Quebec, where over $9,000,000 has been spent on the Wolfe's Cove undertaking which caters to the needs of three ships. The Port of Quebec has now been divided into two widely separated parts and respecting the new development the Gibb report says, "As a passenger terminal and nothing else, the Wolfe's Cove Quay offers no attraction to passenger liners that carry freight. The purely passenger ships are as yet limited to the Canadian Pacific Steamships three Empress boats on the Atlantic route, which occupy one berth at Wolfe's Cove for about half the week during the height of the season. That is the sum of traffic that can be immediately foreseen for Wolfe's Cove. To change this state of affairs very heavy expenditure would be necessary in the provision of facilities; and even so it is doubtful whether traffic could be handled as economically and as satisfactorily as in the old harbor."

Would Check Unwarranted Competition

A sane national port policy might have prevented this and other errors which have led to unchecked extravagance by Harbor Commissions and dissipation of federal funds. Growing competition between rival ports has placed further calls on the treasury. Sorel and New Westminster are cited as the most important instances. Both ports exist only by virtue of heavy federal expenditure, and both are now competing for general traffic with the ports of Montreal and Vancouver, and by reason of absence or lowness of charges, with considerable success. In regard to developments on the Fraser River, the Gibb report states:

> "There is every evidence that a competitive situation is arising between the Fraser river ports and Vancouver, only made possible by the extensive outlay of federal funds . . . . Neither shipping nor traffic has contributed anything to the cost of the works that have so far been carried out. The dues collected, in fact, amount to about $7 a day. I found in many quarters an idea prevalent that it is the duty of the Government to provide free access from the open sea to any and every harbor in the Dominion . . . Traffic through the Fraser river, in fact, is definitely subsidized . . . . This favored position is emphasized and advertised to the full by the New Westminster Harbor Commissioners in its publications, though I understand the introduction of harbor dues is now under consideration.
>
> "In my opinion the situation is unsatisfactory at present, and if it were to be allowed to develop would become intolerable."

Should Consolidate Present Position

Over $133,000,000 has been advanced to Harbor Commissions to date and it is evident that in many cases expenditures have involved the Government in additional commitments. Outlays have not tended to reduce expenses. In some cases, their establishment of new work, at huge cost, will only continue to place further burdens on the public purse. The Gibb report indicates that it is too late now to change existing developments. The money has been spent and the ports are there, but it does stress the need of a national port policy to check extravagance, to cut down operating expenses and to consolidate the present position.

Canadian port development is far ahead of the country's immediate need. From ice-bound Churchill to unproductive and unnecessary harbor works at Halifax, Saint John, Chicoutimi, Three Rivers, Quebec and New Westminster there are tangible proofs that federal funds have been spent without economic justification. The Gibb report was written by the world's foremost authority on harbors, and it outlines concisely where and how exploitation of taxpayers by port developments may be stopped. The next move is up to the Government.

UNTREATED EASTERN
CEDAR POLES
25 ft. to 50 ft.
ALFRED E. COWLING
Scotstown Que.

New Brunswick Prospectors Active

During the 1932 season, field work reports were made on 43 mines prospects in the Province of New Brunswick, according to a report of the provinciol geologist and 337 rock specimens were analyzed in the departmental laboratory of the University of New Brunswick.

Biscuit Plant Increases Output

The new plant of Christie Brown and Company at Winnipeg is being kept busy. The month of February, and then March, showed the largest volume of business to date since the million dollar plant began operating.

AVALON PHONE EARNINGS SHOW SLIGHT DECLINE

Common Dividends Maintained at Regular 7% Rate

From Our Own Correspondent

MONTREAL.—Gross earnings of Avalon Telephone Co., leading telephone utility in Newfoundland, were $241,860 in 1932 compared with $250,248 in the previous year. After expenses, bond interest and reduced provision for depreciation, net profit was $52,061 against $48,018 in 1931.

After payment of preferred dividends, income tax and $3,000 written off deferred assets, profits were equal to $1.64 a share on the common stock on which dividends of $1.75 a share were maintained, resulting in a deficit of $993 for the year. Surplus was reduced to $439.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Gross earnings:		
Telephone	204,752	210,097
Toll	26,716	31,052
Misc.	2,820	2,205
Investments	7,572	6,893
Total income	241,860	250,248
Less: Expenses	118,769	119,241
Net income	123,091	131,007
Less: Depreciation	30,000	41,738
Interest	41,030	41,250
Balance	52,061	48,019
Less: Income tax	5,509	3,155
W/o deferred assets	3,000	......
Pfd. dividend	28,000	28,000
Com. dividend	16,545	16,544
Surplus	*993	320
Br't. forward	†1,462	1,116
Carried forward	499	1,436

*Deficit.
†After adjustment.

Bank Loans Increase

Balance sheet shows cash down $7,000 at $2,681 and accounts receivable up $31,000 at $91,151. Investments are lower by $7,000 at $126,492. Fixed assets are valued at $1,272,745, an increase of $18,000.

In liabilities bank loans are higher by $30,000 at $72,000 and accounts payable have been reduced by $1,000 to $9,375. During the year there were redeemed $8,000 of 5½ per cent first mortgage bonds leaving $742,000 outstanding.

In 1932 a subsidiary, Dominion Broadcasting Co. was formed to operate a station at Mundy Pont substation. Regular commercial broadcasting service was commenced in November, 1932.

Ottawa Gas Co. Win Lawsuit Over Explosion

From Our Own Correspondent

MONTREAL.—The claim of $376,364 made by the City of Ottawa to the Ottawa Gas Co. for money expended in repairing its sewer system after an explosion in January, 1931, has been dismissed by the courts.

The allegation was that the explosion was caused by an accumulation of illuminating gas in the sewer system which defendant company was said to have permitted to escape from its mains and which had found its way into the sewer or into adjacent pockets.

In dismissing the claim the court stated that there was practically no evidence of illuminating gas in explosive quantities being in the sewers on the day of the explosion but that there was a mass of evidence to indicate other types of gases present in the sewer.

Parish Free From Relief

The parish of New Maryland, adjoining the City of Fredericton, has not been called upon to spend a cent in the way of relief as yet. The parish has prospered in mixed farming, dairying and poultry raising.

5% Bonds

Dominion of Canada Guaranteed
Due February 1st, 1954. Issued by C.N.R.
Denominations: $500 and $1,000
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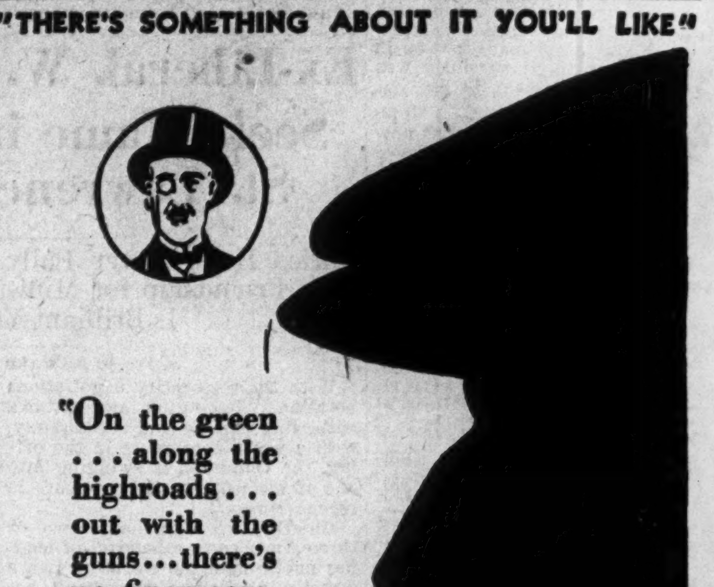
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Dominion Electric Protection provides a safeguard from burglary for doors, windows and skylights. Even coal holes and thin partitions are protected against those persons who seek to steal your merchandise.

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News of Investment Markets

BURNS & CO. EARN BANK, NOT BOND INTEREST IN 1932

Continuously Falling Commodity Markets Produced Declines in Earnings

OUTLOOK IMPROVES

Ottawa Conference Pacts Aid Company—May Need Further Extension by Bondholders

Burns & Co. earnings in 1932, before bond interest and depreciation, were $13,089 as compared to $165,660 in 1931, mainly due "to further drop in commodity prices offsetting economies." The above amount is after payment of $83,384 for bank interest.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Net earn. from oper.	†46,698	86,365
Add: Income from subs.:		
Rents	101,716	114,238
Interest	28,594	82,921
Other income	12,861	15,765
Net earnings	96,472	299,289
Less: Depreciation	290,362	297,219
Bank int., etc.	83,384	183,629
Bond interest	374,049	375,977
U. S. prem. on bond interest	......	23,588
Net loss	651,323	531,124
Add: Prev. surplus	*516,461	14,663
Deficit carried for'd.	1,167,784	516,461

*Deficit. †Loss.

The company operated on a continuously falling market in 1932, the fact that wheat dropped to the lowest point in history being representative of the general situation created for the company because prices and business available to farmers, miners and lumbermen declined substantially.

Outlook Brightens

W. J. Blake Wilson, president, in report to shareholders, nevertheless states his belief that the outlook for 1933 is brighter than for the last three years. The advantages flowing from the Ottawa conference are helpful, particularly with respect to bacon which will enjoy a preference for a period of years over other countries. The establishment of an Agricultural Stabilization Fund by the Bennett Government is expected to benefit the primary producer and the industry generally.

Net Current Assets Gain

In May, 1932, bondholders granted the company a postponement of sinking fund payments and interest and a committee was appointed to work in conjunction with the management and the trustees. Colonel A. M. Brown and R. W. Pearson were elected to the Board in 1932 to represent bondholders. W. J. Blake Wilson, former vice-president, was elected president, and John Burns, formerly president and general manager, continued in office as general manager.

The need of further working capital for the company and its subsidiaries, Palm Dairies and Consolidated Fruit Co., as explained a year earlier, had been met. Trade advances and accounts receivable were reduced during the year by $366,250, bank loans by $768,103 and inventories by $615,097, greatly improving ratio of current assets to current liabilities.

Working Capital

	1932 $	1931 $
Current assets	2,771,330	3,621,208
Current liabs.	946,769	1,891,335
Working capital	1,824,561	1,729,873
Ratio	2.92—1	1.91—1

No dividends were received from subsidiary companies: Palm Dairies would have shown a small profit but for being obliged to write off inventory declines; Consolidated Fruit Co. would have shown a profit had it not been considered advisable to provide reserve against possible losses on accounts receivable. Investments in subsidiary companies at cost are shown at $1,597,666, but 9,995 shares in Palm Dairies, which cost $1,000,000, are hypothecated as security for guarantee of bonds of that company.

Depreciation Reserve too Low

Fixed assets are shown at $11,773,954 and the general reserve available for depreciation at $2,261,768. Peat, Marwick, Mitchell & Co., in their auditors' report to shareholders, say this is less than the estimated amount required to reduce the physical properties to depreciated values by $714,036. The auditors also state that no provision has been made in the accounts under review for the cumulative deficits of Palm Dairies and Consolidated Fruit Co. which amounted to $283,567 and $12,096 respectively at the end of 1932. The deficit for Palm Dairies is before providing for possible loss on advances to North West Acceptances.

Retiring from Retail

Because of changing retail conditions in most of its markets the company has disposed of most of its markets throughout Western Canada, and particularly in the larger cities, retaining only those in the mining, fruit-growing and lumbering districts of British Columbia and Southern Alberta.

First mortgage bonds outstanding are $7,205,120, interest and sinking fund being deferred to December, 1933, when consideration of further extension may come.

Bank loans amount to $720,761. Contingent liabilities reported are guarantees of bank loans of subsidiary companies to the extent of $730,918 and guarantees to others of $1,017,757 on the account of subsidiaries as well as $32,997 for bills discounted in the ordinary course of business.

London Financial Services Opening as Invest. Firm

Announcement is made of a new investment banking institution in London, Ont., under the name of London Financial Services. Associated with the firm are A. N. Cameron, H. A. Boersma, T. E. Arkell, W. J. Winter and G. F. Neelin, who have all played an active part for a number of years in London financial circles.

London Financial Services has offices in the Huron and Erie Building.

Wants Outside Counsel In Reorganizing C. I. Co.

Further Letters From Bondholders of Consolidated Investment Trust Are Printed—Think Future Activities Should Be Well Planned

The Financial Post is in receipt of letters from bondholders of Consolidated Investment Corp. In previous issues many letters have been published and two more are given today.

On page 11 of this issue devoted to answers to investment enquiries a long article has been published, giving the results of enquiries made at headquarters by The Financial Post as to the things that have been happening to the company in the last three years. The questions put by The Financial Post were those that have been raised in letters from bondholders and some others as well. The article will perhaps indicate to the writer of the second letter from Montreal that it was only to be expected that securities of underwriting houses would be represented in the portfolio.

Sounded Out Atlas Co.

The first letter is from John A. McDonald, certified public accountant, Arnprior, Ont., who is seeking proxies to aid him in his contention that outside aid should be asked for by directors in planning reorganization of portfolio. It reads as follows:

"Following up suggestions in my letter in regard to Consolidated Investment Corporation situation appearing on pages nine and nineteen of this week's Financial Post, the writer took upon himself the matter of sounding out the Atlas Corporation as to the possibility of interesting them in any way whatever. I neglected to keep a copy of my letter as I had only faint hopes. In a few lines, however, I outlined the salient features of the situation to them. On April 4 I received the following telegram from them:—

"'Tentatively interested. Suggest you call today or tomorrow Whitehall 47979 Donaldson or Robinson — Our expense. Atlas Corporation.'

"As suggested, I called them up in New York and gave them such information on the situation as was missing in my letter above mentioned.

"The same day I sent them the following night letter:—

"'Mr. Robinson, c/o Atlas Corporation, New York City. Should you desire newspaper letters, opinions and articles, also reorganization plans and literature on Consolidated Investment Corporation, will be glad to send all I have but cannot send portfolio. Will do anything I can and you suggest in the matter we talked about. Time is short and speed essential.'

"In reply to this I received from them the following telegram on April 5:—

"'Situation outlined your letter and telegram of interest. Very glad to be of any service possible in plans for reorganization of Consolidated Investment Corporation. Feel, however, not proper for us to enter situation in any way unless by formal invitation of group of bondholders or present management. Furthermore would not care to take any action which might be construed by management group as unfriendly.—Atlas Corporation.'

Asks for Proxies

"Recognizing the correctness of their position, a copy of this telegram has been sent the management in Montreal with the request they consider the matter and send them the desired formal invitation. I have also sent them last financial report of Atlas Corporation together with N.Y. Times' recent columns referring to the consummation of Atlas' activities in assuming management of Goldman Sach's Corporation. By reason of the form of proxy sent out for the March 22 meeting it is felt that office not only represents a considerable group of bondholders but the management as well. At date of writing 'it is now up to them.'

"In view of the fact that the writer does not know of any organized group of smaller bondholders aside from those few represented at the March 22 meeting, and being certain a very large and scattered number have not yet sent in bonds or proxies to the Montreal Trust Company or elsewhere, I would be glad to accept proxies for those who agree with my suggestions, plans, etc., and who care to entrust me with them. Will do the best I can but, to have any influence, will need to have a very large number of small lot proxies to offset those already effective in large block lots. These should be mailed to Montreal Trust Co. at once in order to reach them by nine o'clock A.M. of April 24 next.

"Consideration of the ultimate best interests of all bondholders, large and small, is essential. Undue haste in closing present plans may be regretted. Expert, seasoned, proved practical outside experience in this field ought to be sought and used at this stage. Sincere study and honest co-operation on the part of all bondholders and the management will also help very much indeed."

Wants New Directors

The letter from the Montreal bondholder reads as follows:

"As an owner of a considerable number of Consolidated Investment bonds, I have been greatly interested in the articles that have appeared in your paper regarding the conduct of the organizers of the company that issued the bonds in question. If it can be established that the portfolio of the Consolidated Investment Corp. includes a large percentage of stocks which have been known to be sponsored by the directors of the company or its organizers, no censure is too severe for them; but, on the other hand, if they have merely been wanting in ability to judge the financial situation rightly, they are not blameable. However, in their own interest, they should resign and allow a new set of directors to take charge. At the recent meeting here, one of the organizers was subjected to a most severe castigation, and he did not succeed in convincing the meeting that some of the charges made against him were not true."

CAN. INVESTORS EARNS 48c SHARE FOR LAST YEAR

Drop in Securities Value Partly Due to Sales of Bonds

Canadian Investors Corp., Ltd., earned 48 cents a share in the year ended Jan. 31, 1933. In the previous fiscal year earnings amounted to 90 cents a share.

Dividends of 45 cents a share were paid in the year, against 80 cents in the previous year. A surplus of $2,500 was earned, but additional income tax deduction, of $2,660, resulted in a reduction of $160 in earned surplus carried forward.

A reduction of $517,934 in market value, and $739,311 in book value, of securities in the portfolio was recorded in the year. This was caused chiefly by sale of bond holdings to reduce loans, which were down $373,594, from $430,965 to $57,371. Market value of securities held was $750,345 at Jan. 31, 1933, compared with $1,268,279 a year earlier. Book value decreased from $2,601,596 to $1,862,285.

Share Equity $6.92

The equity per share at Jan. 31, 1933, based on market value of securities, was $6.92, compared with $8.37 in 1932.

The reduction of loans included elimination of a bank loan of $200,000 shown in the 1932 statement.

Cash is shown at $13,805, compared with $19,083 at Jan. 31, 1932. There is a substantial reduction in accrued interest, from $11,262 to $3,880, probably due to sales of bonds from the portfolio.

Among the liabilities, a decrease, from $30,655 to $18,638, is shown in dividends payable and income tax reserve. Only $5,000 of this decrease is due to reduction in dividends payable. Capital surplus showed a reduction of $366,200, from $1,029,017 to $662,817. This decrease was due to charging losses on securities sold against this account.

The income and surplus account, as drawn up by The Financial Post, from the annual statement, follows:

PROFIT AND LOSS ACCOUNT
Years Ended Jan. 31

	1933 $	1932 $
Int. & divd. on invest.	68,824	137,830
Int. on loans, etc.	159	306
Less: Int. paid on loan	12,198	37,143
	56,785	101,053
Less: General exp.	3,378	3,877
Registrars' & audit. fees	2,117	2,036
Dom. inc. tax res.	3,790	5,323
Net profit	†47,500	†89,817
Less: Dividends	45,000	80,000
Surplus for year	2,500	9,817
Add: Prev. surplus	141,304	134,244
Less: Addit. inc. tax, prior years	2,660	2,757
Balance forward	141,144	141,304

†Net profit for the year exclusive of losses on securities sold, $205,801 in 1933, and $448,598 in 1932, which were charged to capital surplus account.

Makes New Connection

WALTER DANDIE

Who has been appointed vice-president and director of E. W. Reynolds & Co., Ltd., Canadian advertising agency. Mr. Dandie has held important merchandising and advertising positions in Canada and Great Britain for the past 27 years.

Public Utility Earnings

Mexico Tramways Group of Companies

January:	1933 $	1932 $	Decrease $
Mexico Tramways & Subs.:			
Gross earn.	244,769	340,013	95,244
Oper. expenses	327,506	395,552	68,046
Net earn.	*82,737	*55,539	27,198
Mexican Light & Subs.:			
Gross earn.	818,868	1,014,013	195,145
Oper. expenses	492,054	588,090	96,036
Net earn.	326,814	425,023	99,109

*Deficit.

Plan Submitted Soon To Dosco Bondholders

From Our Own Correspondent

MONTREAL. — Tentative plans have been drawn up regarding the future of Dominion Steel and Coal Corp.'s debenture stock on which interest due March 1, 1933, has not been paid, but details are being withheld pending early discussions with British stock holders. There is $13,499,995 of the 6 per cent first mortgage debenture stock outstanding.

Prospects for the current year include an improved outlook for coal marketings in Canada. Rail subventions have been extended and a maximum of $2.50 a ton will be paid on shipments from Nova Scotia to central Canadian markets; last year the maximum subvention was $2 a ton. It is expected that the increased sum will enable Dominion Steel and Coal to ship as far east as Toronto.

Reports from the Maritimes state that assurance has been given that all the fuel requirements of the Canadian National Railways east of Toronto will be supplied by Nova Scotia. Under ordinary conditions this would mean an extra market of 400,000 tons, but due to lower demands it is estimated that some 300,000 tons will be marketed in this way.

The matter of competition from British coal in the St. Lawrence markets is still being discussed in Ottawa; as yet no definite action has been taken in regard to the various plans put forward.

DISHER STEEL CO. SHOWS NET LOSS, CUTS EXPENSES

Kept Up Dividends Because of Strength But Now Defers Them

Disher Steel Construction Co. had in 1932 a net loss of $26,851 as compared with net profits of $31,214 in 1931, both amounts being before deduction of depreciation. Clark E. Disher, president, attributes this change for the worse to the very severe contraction in business and industrial activities generally, the decrease in total sales being 62 per cent from 1931 and 77 per cent from 1930. Overhead expenses were correspondingly greater in percentage to the lower level of business done.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1932 $	1931 $
Net earnings*	†26,851	¹31,214
Less: Depreciation	5,011	13,909
Income tax res.	......	2,580
Net profit	†31,862	14,725
Less appropriations:		
Pref. dividends	18,827	19,500
Deficit for year	$50,689	4,775
Add: Prev. surp.	106,096	110,871
Less:		
Tax adjust.	545	......
Bal. forward	54,862	106,096

*After deducting manufacturing costs, administration and other expenses.

¹Including amounts previously provided for contingencies.

†Loss.

Administrative and general expense items, Mr. Disher stated, were reduced by 32 per cent from 1931 and 50 per cent from 1930. Controllable expenses were reduced 40 per cent in the year and further substantial reductions were being made.

The board continued dividends on the Class "A" preference shares during the year and bought back 118 shares on the open market, leaving 12,507 shares outstanding.

Working capital is still strong, cash assets being seven times current liabilities.

WORKING CAPITAL

	1932 $	1931 $
Current assets	105,704	165,847
Current liabilities	5,871	18,902
Working capital	99,833	146,945
Ratio	18.00—1	8.77—1

Drop in current assets is due to lower accounts receivable and inventories. In current liabilities accounts payable and accrued charges payable are much lower. The auditor's certificate of correctness was qualified with the statement, "subject to the adequacy of the reserve for doubtful accounts ($5,300) and the provision for depreciation ($5,012) for the period."

Bond Tenders

Roman Catholic Board of School Commissioners of Quebec—$500,000, 4½ or 5 per cent 30-year serial debentures. A. C. Taschereau, sec.-treas.

Apr. 19, 5 p.m., Grand'Mere, P.Q.—$60,000, 6 per cent bonds, dated April 15, 1933, redeemable serially April 15, 1934 to 1936, for local improvements. J. E. Derziel, sec.-treas.

School Municipality of Lac des Iles, County Labelle, Que.—$5,500, 6 per cent bonds dated April 1, 1933, redeemable serially from April 1, 1933. Emile Bisaillon, sec.-treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
French Nat. Mail S.S.	†6%	1952	May 1	...
Wabasso Cot.	*6%	1947	June 1	106

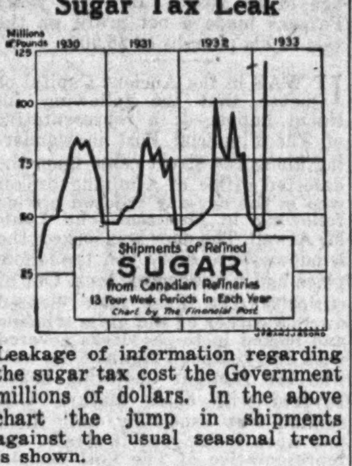
*$10,000 for sinking fund purposes.
†Called in part.

Railway Earnings

Canadian National Railways

Week End. Apr. 7	1933 $	1932 $	Decrease $
Gross rev.	2,170,324	2,771,166	600,842

Sugar Tax Leak



Leakage of information regarding the sugar tax cost the Government millions of dollars. In the above chart the jump in shipments against the usual seasonal trend is shown.

PACIFIC (COYLE) HAD NET PROFIT

Bad Conditions in Logging Industry Make Recovery Slow

In spite of worse conditions obtaining in the logging industry, Pacific (Coyle) Navigation Co., Ltd., reported a slight improvement in earnings for 1932 as compared with 1931 but before depreciation in each case.

INCOME AND SURPLUS ACCOUNT
Years Ended July 31

	1932 $	1931 $
Net earnings	23,863	11,290
Less: Deprec.	......	*12,000
Bad debts res.	5,265	25,441
Net profit	18,598	†26,151
Less: 1st pref. s.f.	14,610	8,218
Surplus for year	3,988	†34,369
Add: Prev. surp.	19,215	252,520
Trans. tax res.	8,017	......
Less: Cap. losses w/o	......	3,580
Addit. deprec. 1927-30	......	195,356
Bal. forward	31,220	19,215

*For previous year.
†Deficit.

The deficiency in working capital has continued but is about $20,000 lower.

WORKING CAPITAL

	1932 $	1931 $
Current assets	67,432	116,938
Current liabilities	136,429	205,041
Working capital	*68,997	*88,103
Ratio	0.49—1	0.57—1

*Excess of current liabilities over current assets.

Current liabilities include secured bank loans of $47,500 and accounts payable of $53,037. Dividends on preference shares have not been paid since the end of February, 1930.

Auditors, Frederick Field & Co., state that the reserve of $52,961 is not represented by any specific fund or investment and that no insurance is carried on the fleet except for three tugs and the barges being purchased under agreement with the Robert Dollar Co. No depreciation has been provided for two years.

E. J. Tarr, K.C., Winnipeg, To Join Con. Invest. Board

In view of the fact that there are many holders of the bonds of Consolidated Investment Corp. of Canada scattered throughout Western Canada, E. J. Tarr, K.C., of Winnipeg, has been asked to accept a position on the board of the reorganized Corporation. It is understood that Mr. Tarr has consented to join the board of directors on representations that it is deemed proper to have of Western interests directly represented on the board.

Brazil Lifts Tariff on Newsprint Imports

From Our Own Correspondent

MONTREAL.—The Brazilian Government has signed a decree removing tariff duties on newsprint and cutting rates on typographical supplies by 50 per cent. The decree ended a year's campaign by the Brazilian Press Association, which pointed out that the duties had threatened the existence of many newspapers.

Brazil imports all its newsprint requirements. Canadian manufacturers have little interest in this market.

TORONTO GROUP INSISTS MONTREAL PLAN UNJUST

(Continued from page 1)

$13,500,000 first mortgage bonds, will be in receipt of cash income of $2,542,500 which is equivalent to less than 4.60 per cent on their total investment of $55,610,000.

"The subscribing debenture holders will have received the following securities:

$36,000,000 5 per cent debentures due 1973.

$13,500,000 5½ per cent mortgage bonds due 1973.

Common shares of no par value 405,000 (53.15 per cent).

Total par value of bonds and debentures, $49,500,000.

Different Prices For Common

"As these securities cost the subscribing debenture holders $55,610,000, this is the equivalent, after deducting the par value of $49,500,000 to a cost of common shares totalling $6,110,000.

"The 405,000 shares allotted to subscribing debenture holders therefore cost them in excess of $15 per share, whereas the common shares totalling 357,000 allotted to Montreal Light, Heat & Power, the Jacques Cartier Company (pooling group) and other common stock interests, cost them nothing.

"The income for the next 4½ years which would accrue to subscribing debenture holders would be equivalent to $742,500, which is 1.35 per cent on the sums they have advanced and from April, 1938, the cash return is equivalent to 4.60 per cent.

"Offsetting the Montreal Power plan is the Toronto plan, which recognizes rights and privileges due to the debenture holders who have done so much to develop Beauharnois. The Toronto plan as analyzed in The Post of last week, and which we understand will be going forward to all dealers, institutions and debenture holders just as quickly as possible, aims to permit all debenture holders to receive immediate income in interest-bearing scrip and the allotment on subscription of common stock totalling some 71 per cent of the whole issued stock."

Give Debenture Holders Precedence

The sponsors of the "Toronto Plan" are making strenuous efforts to complete their underwriting programme and state that they have every indication that they will be successful. Stress is laid on the fact that in the past two years bond dealers have not been requested to underwrite either government, provincial or municipal bonds, the majority of such issues having been brought to the market and distributed successfully without underwriting. The sponsors of the Toronto group would like to have the Dominion Government step into their position and acquire for the country all stock profits which would, under ordinary circumstances, accrue to the underwriters. The sponsors of the Toronto Plan have been in touch with many dealers from coast to coast who state that under the more favorable terms of their plan, sufficient subscriptions will be forthcoming either from debenture holders or those who exercise their rights to reduce substantially the number of bonds which the syndicate would have to purchase in order to complete the development.

It is contended by the Toronto group that the debenture holders protective committee never officially or unofficially discussed with the executive committee of the Canadian Investment Bankers' Association the possibilities of obtaining either direct underwriting, or a unified effort allowing debenture holders themselves to provide the means of completion.

"There are only two groups who should own Beauharnois, those who have put up the money, the debenture holders and the Dominion Government," says the Toronto group.

"Under the Toronto Plan, with the Dominion Government sponsorship, if the debenture holders provide the additional money—and there is every incentive for them to provide it—they will acquire the ownership of over 71 per cent, the Government owning 25 per cent. To the extent that debenture subscriptions provide less than the total amount of the funds required, the percentage of ownership by the Government increases."

The Toronto group also point out that under their plan the debenture holders would have little difficulty in taking up the new first mortgage bonds as the issue would quickly pay for itself. For instance a holder of a $1,000 debenture would be asked to buy $300 of bonds. But over a term of 4½ years from April, 1933, to October, 1937, he would receive in cash and interest-bearing scrip $297.

"Toronto Plan" Gets Attention

From Our Own Correspondent

MONTREAL.—Many holders of Beauharnois Power Corp. debentures regard the so-called Toronto plan as offering them more than the one put forward by Montreal Light, Heat and Power Consold. and given the official blessing of the Bondholders Protective Committee. While the leaning is toward the Toronto plan, the opinion here is that the official plan will win out when the voting takes place next month.

Principal objection voiced here to the Toronto plan is that its proposals are too indefinite. Undoubtedly it gives the debenture holder more consideration than the one put forward by Montreal Power, but there the comparison ends.

An analysis of the two plans offered for the rehabilitation of Beauharnois boils down to consideration of three factors. These can be roughly summed up under the headings of control of the enterprise, return on capital investment, and ability to complete financial arrangements.

Who Will Control?

The Montreal Power plan offers nominal control of the property to the debenture holders provided that they subscribe up a proposed issue of $13,500,000 of first mortgage bonds. Theoretically control would rest with the debenture holders on this basis. Actually control of Beauharnois would rest with Montreal Light, Heat and Power Consold. for that organization would have the largest individual stock holding and through its associations with other groups and interests will have control of sufficient stock to dictate policies of the company.

Such would not be the case with the Toronto plan, for under this scheme the debenture holders would have more than sufficient stock to give them control.

The second main difference between the Toronto and Montreal Power plan is seen in the return on capital already invested by the debenture holders. The official plan does not hold out any hope of the debenture holders receiving a return on their investment until April, 1938.

The committee says that financial estimates have been made covering five factors. These are (1) adequate funds for completion; (2) provision for certain contingencies that may arise in carrying to completion; (3) setting aside a renewal reserve subsequent to 1937 as security against property losses due to unforeseen accidents; (4) provision for sinking funds on both first mortgage bonds and collateral trust bonds beginning 1942; and (5) after 1939 earnings available for the common stock.

For the immediate future the Beauharnois debenture holder is only concerned with the first three estimates. In order properly to appraise the value of Montreal Power's plan the committee should make available before the meeting copies of the first three estimates. It is reported that the committee has been excessively conservative in estimating future requirements in making provision against "certain contingencies" and in providing against property losses due to unforeseen accidents.

If the estimates prepared for the committee are warranted by conditions then the promoters of the Toronto plan are too liberal in their treatment of the debenture holders. The Toronto group proposes to issue scrip to the debenture holders between now and 1938, but the committee says that the necessity of applying earnings of the company toward interests on its first mortgage bonds and construction requirements makes it impossible to pay interest on the debentures until April 1, 1938, as it is not possible to issue new first mortgage bonds to provide such interest.

The third consideration of the two plans has to do with the financing of the project through to completion which entails the raising of some $13,500,000 of new money. The Montreal Power plan does not leave anything to be desired. In return for a block of common stock, Montreal Power will underwrite the first mortgage bonds.

The Toronto plan, in its present known form, does not offer concrete assurance to the debenture holders that the bonds to be issued will be underwritten by responsible parties or that the issue will be sponsored by interests capable of disposing of the bonds.

NOTICES

Englishman (38) with British and American experience in design and manufacture of new lines, has for disposal sole manufacturing and selling rights, under Canadian, United States and British Patents, of new Collapsible Steel Stairway, for which there is universal demand. Permanent position with manufacturing or selling organization essential. Write Box 115, The Financial Post, Toronto.

EXTRA CAPITAL REQUIRED

Established Engineering and Sales Company in Toronto, previously operating as partnership, but now incorporating under Dominion Charter, requires additional capital to take care of expansion.

Well equipped showrooms in City. Only company in Canada handling specialized engineering products of British manufacture and enjoying preferential tariff. Doing nice business with Dominion Government.

Directorship available in incorporated company to suitable investor. Thorough investigation welcomed. Apply in first instance to Box No. 114, The Financial Post, Toronto.

DIVIDEND NOTICES

BUYWELL

FOOD MARKETS LIMITED
Preferred Dividend Notice

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Seven Per Cent. (7%) Preferred Stock of the Company for the quarter ending March 18th, 1933, payable April 15th, 1933, to shareholders on record at the close of business on April 10th, 1933.

By order of the Board.
W. A. STANFORD,
Secretary.

Montreal, April 5th, 1933.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 32

A DIVIDEND of Twenty-Five Cents (25c) per share, being at the rate of $1.00 per annum, on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending April 30th, 1933, payable May 15th, 1933, to shareholders of record at the close of business on April 29th, 1933.

By order of the Board,
L. C. HASKELL,
Secretary.

Montreal, March 24th, 1933.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending March 31st, 1933, has been declared upon the paid-in Capital Stock of the Company, to Shareholders of record on Thursday, the 6th day of April, 1933, at 4 o'clock p.m. and payable on Saturday, the 15th day of April, 1933.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

March 20th, 1933.

DIVIDEND NOTICE

BONDED
TRUST CERTIFICATES

The regular cash dividend of 1% per month was paid on April 1st, 1933, through

The Imperial Trusts Co. of Canada

Balance of earnings for the month was transferred to the Reserve Account.

Inquiries invited.

BONDED CORPORATION LIMITED

261 St. James St. MONTREAL
85 Richmond St., W. TORONTO
105 Mountain Hill QUEBEC

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Disher Steel	Dec. 31	*31,863	14,725	...	...	...	54,862	106,096	...	...	...
General Trust & Executor	Feb. 28, '33	10,086	9,810	4.39	4.44	...	19,517	9,916	...	...	...
Avalon Telephone	Dec. 31	49,061	48,018	2.23	2.12	1.76	439	1,432	...	...	...
British Columbia Telephone	Dec. 31	636,677	686,769	6.82	7.93	7.00	452,783	472,356	...	...	...
Can. Consolidated Felt	Dec. 31	*25,206	*40,502	...	...	...	324,080	349,886	...	...	...
Can. Investors Corp.	Jan. 31, '33	47,500	89,817	0.48	0.90	0.40	141,144	141,304	...	...	...
Gould Pumps	Dec. 31	*395,614	*467,209	...	...	...	302,468	710,524	...	...	...
Consolidated Bakeries	Dec. 31	9,916	367,082	0.03	1.15	...	80,074	184,596	4	...	...
Bathurst Power & Paper	Dec. 31	*131,618	*201,545	...	...	...	†202,473	†40,960	1½	...	...
National Breweries	Dec. 31	1,364,910	1,439,701	1.62	1.73	1.60	5,327,587	5,311,122	15½	9.7	10.1
Industrial Acceptance	Dec. 31	39,608	78,259	0.66	1.22	...	24,643	43,029	...	...	...
Regent Knitting	Dec. 31	*81,708	*131,605	...	...	...	66,925	288,846	.50	...	...
Mayland Oil	Dec. 31	45,141	*13,985	0.05	...	...	498,735	456,486	.18	...	...
Montreal Tramways	Dec. 31	680,044	806,649	9.80	11.51	9	2,634,272	2,630,728	70	7.1	12.8
Acadia Sugar	Dec. 31	276,604	184,324	0.92	0.61	...	301,287	249,680	...	...	...
Pacific (Coyle) Navigation	July 31	18,598	*26,151	...	...	...	31,220	19,215	...	...	...
Burns & Co.	Dec. 31	*651,323	*531,142	...	...	...	†1,167,784	†516,461	...	...	...
Dome Mines	Dec. 31	853,670	900,825	0.90	1.04	1.30	1,614,599	2,202,809	16.75	...	7.7

*Loss. †Deficit.

Frontenac
FOURS and SIXES
AS LOW AS $595
F.O.B. Leaside, Taxes Extra

— GENUINE ECONOMY! —

Actual Gasoline Mileage Obtained With New Frontenac Four

Toronto to Kingston .... 31-3/5 Miles Per Gallon
Toronto to Barrie .... 36 Miles Per Gallon
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A Total Run of 600 Miles .... 37-1/2 Miles Per Gallon
Continuous Driving for 846 Miles . . . 27.73 Miles Per Gallon

(Note: Original signed records and letters vouching for above figures—secured under varying weather and road conditions—may be seen upon request.)

Red Seal Continental motor... Winged Power... three-point chassis mounting ... double Cantilever rear springs... anti-shimmy steering ... safety all-steel bodies... low center of gravity ... silent second instant shift transmission ... four wheel steel-draulic brakes ... and many exclusive engineering and body features.

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Lowest Priced 5-PASSENGER STANDARD TREAD 4-DOOR Sedan
EVER OFFERED THE CANADIAN PUBLIC

List Prices f.o.b. Leaside, tax extra—4 Cylinder Roadster $595; 4 Cylinder Standard Coupé $620; 4 Cylinder Standard 2-door Sedan $620; 4 Cylinder Standard 4-door Sedan $670; 4 Cylinder Special 4-door Sedan $700.
6 Cylinder Roadster $695; 6 Cylinder Standard Coupé $720; 6 Cylinder Standard 2-door Sedan $720; 6 Cylinder Standard 4-door Sedan $770; 6 Cylinder Special 4-door Sedan $800.

DOMINION MOTORS PRODUCTS LIMITED
(Leaside)
TORONTO CANADA
REO FRONTENAC DURANT RUGBY

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TORONTO, APRIL 15, 1933

WHERE BLAME LIES IN HIGH TAXES

IN TORONTO, Mr. Bennett said something to this effect in a public address; "If you want to know who is responsible for the 'extravagant' expenditures of governments look in the looking-glass." Thus in one sentence, Mr. Bennett would seem to demolish the theory that under democracy the leaders of the people are selected to rule the affairs of state and give intelligent direction to government. Mr. Bennett is too modest. He takes the view that the men who make up governments are no better or no worse than the men who make up the general mass of the populace. But the average intelligent person would be more inclined to feel that if Mr. Bennett had no more sense of political responsibility than the man on the street he should not be running the government of the country. The truth of the matter is that Mr. Bennett has superior intellectual attainments that are backed by sound business experience and when the people of Canada made him prime minister they expected him to use these facilities to the full.

The theory that governments give the people only what they ask for is a thoroughly invalid excuse for governmental extravagance. It is not the man on the street who asks for higher taxes. It is not even the man on the street who is constantly demanding new expenditures. It is the political campaigners who bid for public office by offering gigantic spending programmes, somewhat similar to the programme of $400,000,000 of new public expenditures offered by Mr. Bennett as a bribe in the election campaign of 1930, a programme that was immediately countered by similar offers by Mr. King on behalf of the Liberal party.

It is true that the public and the business man must share the blame for rising taxes but it is of essential importance that the ultimate decision in regard to matters of administration and state policy must be made by governments on behalf of the people. And governments are supposed to exercise more intelligence and discretion in these matters than small interested groups in the population.

SINK HOLES FOR FUNDS OF TAXPAYERS

THE complete collapse of the Manitoba Farm Loan Association, a government scheme launched to compete with private mortgage companies and to compel lower interest rates on long term farm borrowing, is just another example of the inevitable result of political interference with private business. Begun in 1917, the Manitoba association loaned something in excess of $10,000,000 for which the taxpayers of the province assumed responsibility through provincial guarantees of bonds. The association is now in liquidation. Ultimate losses will run into millions. For example, borrowers from the government association would not pay their principal and interest, knowing that it would be politically difficult if not impossible for the loaning agency to take action against them. Municipalities did not function as they should have done—knowing full well that the party with whom they must ultimately do business for tax arrears was the province.

The farm loan craze which swept this country during and after the war and which, before it finally receded, produced the Federal Farm Loan Board, was clearly unsound in principle. Amortized farm loans—repayable over a long period of time—have not worked well for rural financing. Under amortization, the annual payments are small. This, it is clearly disclosed, means that farmers repay less than they are able to pay in good years and pay nothing at all in bad years. In Manitoba's case, and substantially the same results will be met with in the Federal sphere, this meant that in years of rural prosperity the farmers did not begin to lift their debt in proportion to their capacity to do so. And in bad years they slipped back at least to the extent of previous repayments and in most cases they piled up additions to their original borrowings in the form of interest, principal and tax arrears.

Of equal importance is the demonstration in Manitoba that a spread of one per cent between what the lending body must pay for its funds, and what it should charge the borrowers—is not sufficient to take care of losses and to build up reserves.

The Manitoba Farm Loan Association, now in the long and painful process of liquidation, is just one more illustration of the truth that governments cannot invade the field of private enterprise without incurring terrific losses. It is an additional illustration that the inevitable result of governments in business is higher taxation which ordinary citizens must pay as a bonus to those who benefitted temporarily by reason of the government's unwisdom.

The tens of millions that have been lost in similar socialistic schemes, would still be a splendid investment for Canadian taxpayers if our federal and provincial governments only had the wisdom and the courage to apply the lesson which they teach. If they would cut their losses, wind up such sink holes for taxes, the result would be a saving of tens of millions for every million that has been thrown away. Yet nearly a million new money was put into the Federal Farm Loan Board by the government last year, bringing the total Dominion investment therein to $8,137,115.

BANKS SHOULD AVOID SECURITIES SYNDICATES

IT HAS apparently been decided in the United States that commercial banking and securities underwriting do not mix well. In Canada banks might also find it expedient to drop out of securities syndicates, although on the whole our banks have underwritten only the superior type of securities.

In this country we have been fortunate in having had no appearance of unscrupulous use of depositors' funds to finance speculative securities. But we have had sufficient of bank underwritings of industrial and utility securities to observe some of the dangers which go with the business.

It should not be necessary to invite banks into industrial underwritings, thereby granting to them a share of syndicate profits, to get their help in financing the syndicate through early stages. The criterion for bank loans to a syndicate proposing to finance a project should be the security behind the proposed issue. No hope of profits should be allowed to carry weight in determining what a bank's loan policy on an issue is to be. Bankers say that it has not affected their attitude toward loans for new financing. But it might.

It would be wise to incorporate in the Bank Act at the time of its next revision a section prohibiting banks from entering syndicates on certain types of securities underwritings. This might well be suggested by the banks themselves.

RADIO COMMISSION FACES AROUND

THE Canadian Broadcasting Commission has let it be known that negotiations are under way for the exchange of programmes between the National Broadcasting Company and the Canadian Radio Commission. No sensible person can object to such an arrangement, especially when it is to be confined to the sustaining or non-advertising programmes of the American stations. But the general public will recall that one of the purposes in setting up this $1,000,000 Canadian Radio Commission was to provide Canadian programmes that would be so superior in character that they would wean Canadian listeners away from American programmes. There was too much Americanization of the air in Canada, we were told.

Every move the Radio Commission has made indicates that it was established for the simple purpose of creating a few more government jobs and finding a new outlet for the expenditure of the taxpayers' funds.

Whenever economy is suggested at Ottawa, the pat reply of the politicians is "But what can we cut off?"

As a reply to the widespread demand for a curtailment in government expense, this counter question falls rather flat in the light of the establishment of this brand new spending department, extravagantly conducted and muddled in its policies and practices.

HONEST POLITICIANS

HON. GEORGE S. HENRY, Ontario's farmer-premier, has been under fire because he was an owner of bonds in the Ontario Power Service Corporation, recently acquired by the Ontario Hydro.

Mr. Henry has suffered some loss from depreciation of his investment even though the Hydro took over the property. But he is better off than he was before the Hydro deal was made.

The public is fortunate when it has political representatives whom it regards as strictly honest. Mr. Henry is in this category. He made a genuine and serious error of diplomacy in failing to disclose his ownership of bonds earlier than he did. but he was apparently not out to help his pocketbook. He could have made a small fortune out of his inside knowledge of the O. P. S. deal, had he been an unscrupulous type.

It is to the benefit of the people to have honest and successful business men, such as Mr. Henry, taking part in public life. It is unfortunate for the public when they place themselves in the position Mr. Henry is in. He failed to observe the best British political traditions.

Mr. Henry's indiscretion was just what a certain group of politicians in his party have been waiting for. They could not themselves have manufactured a better excuse for ousting the Ontario prime minister in order to put their own man in.

The whole affair is a sorry commentary upon a certain type of politics just as the original promotion of the enterprise was a sorry commentary upon a certain type of high finance.

LIFE INSURANCE SPEAKS

NEXT week newspapers, store windows, the radio and the luncheon clubs will pay tribute to one of the foremost financial institutions on this continent. Due to the vision of a group of Canadian life insurance men, the entire continent will reverberate for seven days with the slogan "Financial Independence Through Life Insurance."

The idea of setting aside one day in January of each year when we should particularly stop, look and listen to the appeal of life insurance, originated in the United States, but the plan never proved satisfactory in Canada and so Canadian insurance brains devised the plan of a special week to be set apart later in the year when selling effort could be made more effective and extended to parts of the Dominion, not accessible in the middle of winter. This is the first attempt that has been made therefore on an international scale to hold a special weekly drive. The fact that the plan is being launched successfully is a tribute to the very high degree of co-operation which life insurance companies and executives have achieved among themselves in the country.

The appeal this year is wisely being centred on the dual points of education and conservation. All of us, whether we carry insurance or not, can well afford to learn a little more about a form of saving and protection which has an unblemished record of performance in spite of the ravages of wars, plagues and depressions. Those of us who carry insurance cannot hear too often concerning the need and value of conserving even to point of personal sacrifice, the insurance coverage we now own.

SOCIALISM INVADES OUR LIBERTIES

IN THE British heritage of civil liberty, five writs stand out. They are the writs of habeas corpus, of prohibition, of mandamus, of certiorari and of quo warranto. R. L. Calder, K.C., of Montreal, in a speech in Ottawa, showed how essential to democratic freedom are these safeguards of the free man against the tyranny of the State but he showed that under the Quebec Liquor Act, against the Liqour Commission the writs of habeas corpus, of mandamus, of injunction, of prohibition and of certiorari are denied. Thus, Quebec has established a government business institution, given it certain law enforcement powers, and protected it from the citizen who would seek justice from it in the courts.

In Ontario, recent legislation regarding the province's largest business institution, the Hydro-electric system, is equally a deprivation of the right of fair competition by other private companies and an attack upon the liberty of the subject.

For instance, in 1930 it was legislated that once any municipality bought any power under contract from the Hydro, it could never after give even a partial power franchise to any one else. In 1931 the Commission was given absolute power to expropriate land, water powers, power plants, etc. If Hydro wants to buy a private power plant or a water power site, it can take it and no one can stop it.

When governments go into business they are not content to compete on fair terms with individuals but must, to make a showing, be free of taxes and have powers and privileges denied to the individual. Thus is personal liberty being circumscribed by our socialistic trends.

G. D. H. Cole and other Socialist authorities, know whereof they speak; they admit that socialism and personal liberty—even democracy—are incompatible.

WHO SHOULD PAY FOR SCIENTIFIC RESEARCH?

THE value of scientific research in industrial and national development cannot be doubted. But one may question if our system of governmental financing of research in Canada is completely fair to the taxpayers.

The annual report of the National Research Council, for the year to March 31, 1932, has just been issued. It shows total expenditures by that body of $548,600 of which $470,000 was supplied by Parliament. Only $15,000 of revenue was received by way of contributions from industrial firms making use of the council. There were other smaller revenues that could be considered in the nature of private contributions. But in the main the work is carried on by the taxpayers in the general interest of the country. In addition to paying the above expenses the taxpayers have recently contributed a $2,500,000 building to the council. Other governmental departments such as mines and agriculture carry on research activities.

On the other hand, The Ontario Research Foundation was established with private contributions and for each dollar supplied by industry an additional dollar was supplied by the Ontario Government. The Foundation carries on with the income from this endowment.

The public, including business men, are beginning to question if research activities are not being carried on more extensively with public funds than the country can afford in times like these. No snap judgment on such a matter is worth much. Between the benefits of research and the financial needs of the country it is not easy to find the line where rests simple justice. But we should not consider the present situation to be indisputably right.

POST-scripts

THE first cast-iron plough was made in Canada more than one hundred years ago, says the current issue of National Revenue Review. The distinction of making that implement belongs to Earastus Parsons, a native of Lisle, Brome County, New York. In 1824 he moved to Chippawa, Ontario, near Niagara Falls. He was poor, but had an idea that cast-iron ploughs would be more serviceable than those of wood and wrought iron, which were then in general use. He gathered together scrap iron, constructed a rude furnace and cast three ploughs, which proved to be models of lightness and durability. The demand for his ploughs soon became great. In 1827 he died at the age of 38 years. In three years Parsons made a net profit on the sale of his ploughs of $6,000.

IT WAS in the Ancient Capital of Quebec that the following incident happened: a representative of The Financial Post in wandering along the street came upon the deserted office of a mining broker who in the hey-day enjoyed a wide following in Montreal—one Louis M. Atwell. The door was locked, the windows were dirty and the whole place had a woebegone look. Out of curiosity The Post man cleared away a corner of the glass window and looked in to see desks covered with dusty papers. Against the wall was the familiar quotation board covered with chalk marks. One column was especially well filled and upon looking at it closer, the representative of The Post deciphered the heading as I K (International Nickel). The last quotation under this heading will bring tears to the eyes of many an old Nickel trader. It was 60. Them were the days!

ROMANCE and adventure in the West linger on! Only the other day we heard the following story: The factor of the Hudson's Bay post at Port Nelson wrote to the head office in Winnipeg asking what should be done with two old brass cannons that had been lying on the property for many decades. He was told to forward them to headquarters. In due course the brass cannons arrived and were set up in the company's main building in Winnipeg where they created not a little interest. No one having a knowledge of cannons, it was decided to secure the expert opinion of the sergeant of artillery at Tuxedo Park. The sergeant was only too glad to give his opinion. After examining all the outward marks, he completed his task by looking down the barrel of one of the cannons. Much to his amazement he discovered that the cannon was loaded. How this came to be will long remain a mystery and despite the sergeant's eagerness to unload the weapon there and then, it was only a matter of a few hours before the cannons were taken to a spot where they could do no more damage.

ADOLF HITLER, German Dictator, is one of the commanding personalities of the world and, as such, any book which attempts to give a pen picture of this politician attracts more than passing interest.

In "Germany Puts Back the Clock" by Edgar Ansel Mowrer, the rebellion of the German people against their own republic and their evident desire for a militaristic state makes an amazing story in which the figure of Hitler moves sinisterly. What manner of man this new leader of the people really is, as far as this book paints him, can be gathered from the following excerpts:

"In appearance utterly commonplace, Hitler is the most effective orator in Germany and the hardest working politician in Europe. A man who, in 13 short years talked into being such a movement as Germany never before saw; who, without loss of prestige met and defeated in popular election with no less an adversary than the great Hindenburg; who is recognized by her millions and millions as leader.

"An insignificant figure but a most unusual human being. A romantic patriot and a war partisan acknowledging the rights of no people but his own. An insatiable egotist, striving night and day to believe that in himself alone is the umbilical cord linking the contemporary world to its unborn destiny.

"'The true Germany has been polluted by Jews and Socialists,' is one of his favorite phrases. He is a born orator of mobs. Even hostile audiences fall under his influence after an hour or two of this sort of stuff. His road to the top, however, has not been by any means unusual.

"First of all, he found financial backers and consorted with his 'social betters' on equal terms. He gave lectures on everything. Toward the end of 1923 his name was well known and he found himself a prominent figure in the Bavarian uprising.

"Hitler cannot write. He makes speeches. He does not think. He gropes about until his mind hits a well-worn word path and slides into an oration. His so-called ideas are canned formula which hide wishes. He merely decorates his totally subjected ego. What he does know, however, is how to lead men and women by the nose. This is a matter of instinct. He makes a point of telling his audience exactly what it wants to hear regardless of scruples. He is everything to everybody. General promises are only a beginning. He collects and disseminates social and political resentment, fosters special hatreds, encourages the violent suppression of adversaries, appearing one after the other to each of the more brutal human instincts.

"But Hitler knows his Germany. Other nations dislike soldiers and drill, Germany hankers for both. So everything about national socialism is militarized. The mass, according to Hitler, is incapable of deciding any intellectual or moral questions but must be told. In the great game of fooling the public, Hitler is the incomparable master."

In the Mail

Leak on Sugar Tax

Editor, The Financial Post.

I have read with very much interest your article on the sugar situation, and in my opinion the situation disclosed indicates considerably more than a deplorable error on the part of the authorities at Ottawa in announcing the current tax.

It is current talk on the street in Vancouver that two local wholesale houses knew all about the new tax for many weeks before it came into effect, and that both took advantage of the situation to such an extent that one of them made over $100,000, and the other over $90,000 by purchasing huge quantities of sugar from the B. C. Sugar Refinery during the past sixty days. I have no way of checking these figures up, and admit they are based on nothing more than street talk.

I do know, however, that from noon on the day the notice of the tax was published until midnight, a line-up of trucks formed, and on the authority of one of the police on duty in that part of the city there was at one time a string of 79 trucks waiting to load sugar before the new tax took effect at midnight.

I have no way of verifying these figures, but your criticism would appear to be very well taken, particularly at a time like the present when it is vitally necessary that inefficiency and unnecessary loss be obviated as far as possible by our governments both provincial and Dominion.

BANKER.

Vancouver, April 4, 1933.

Balanced Budgets and Credit

Editor, The Financial Post.

Your column "The Nation's Business" for April 8 commences with the statement, "Failure to balance government budgets in Canada is sapping credit from industry and commerce." Succeeding paragraphs expand on this theme, giving a theory of the way in which this "sapping" may be expected to take place. The theory suggests that if governments, through their deficits, did not absorb the community's savings these would then force up the prices of government and later of industrial securities; and this would result in credit getting into industry instead of the governments "viciously hogging it."

This theory, which was almost universally held before the war but now appears to be on the wane, is open to several objections. First, even assuming that the prices of Canadian industrial securities had prevailed at a substantially higher level, what Canadian industrialists would have been tempted to borrow? I can think, in practice, of no industry in Canada which, even if the prices of its securities had been 25 per cent higher, would have seriously considered a programme of capital expansion within the past two years.

Secondly, if it be correct that industrialists would not have borrowed in any reasonably conceivable case, it then follows that the receipts from current production and sales of Canadian manufacturers and farmers have been maintained exactly to the extent to which government borrowing has taken money which would otherwise not have been spent upon consumption and has put it into circulation. That is to say, it is probable that industrial and agricultural losses have been less (or profits have been greater) to that extent. And if this be so, then presumably the prices of industrial securities have been raised and the liquidity of bank and mortgage loans increased by the expenditure of the government deficits.

I think that a strong case can be made out for balancing budgets in this country. But it does not seem to me that your analysis of the flow of money and credit within Canada presented it.

A. F. W. PLUMPTRE.

Toronto, April 8, 1933.

U. S. and Canada Compared

The Financial Post,

As a constant reader of The Financial Post it is interesting to note that your good publication seems to have adopted recently a platform of alarmism. There seems to be in your reportorial and editorial policy a too evident desire to predict some similar financial and economic chaos to that which has happened recently in the United States. While admitting and advocating the obvious necessity of a balanced budget to be attained by governmental economies and administration, such as you continually advocate, and admitting the over-expansion of some of your industries during the "boom" period, I urge that your readers be made cognizant of the complete dissimilarity of the situations existent in the United States and Canada.

In comparing the situations one must of course assume the effect on both countries as caused by the world-wide depression to be precisely the same. Beyond that point, however, there begins a very wide divergence. The American budget is unbalanced very largely by government expenditures occasioned by outright political patronage of which one of the most unfillable rat-holes is the super-provision made for veterans of the last and preceding wars. Needless to say, war wounded and war sick should be taken care of to the greatest degree. Nevertheless, countless millions have been spent in mollycoddling ex-service men who were never nearer a war than the spending of a few weeks in a training camp. Veterans' hospitals of the most elaborate type have sprung up like mushrooms throughout the country where hospitalization is provided for men who have contracted diseases and injuries long since being mustered out. Bonuses have been paid to both deserving and non-deserving alike. Vote-getting has been the main reason for this wanton extravagance and this is but one phase of the political patronage to which I refer.

Compare then the evidently decisive manner in which your Canadian government has attempted to fulfill its obligations to returned ex-service men; perhaps in some cases inadequately, but certainly no severest critic may refer to the system as a political football. To an outsider it would seem that Canada's budget is unbalanced principally by the creation of indebtedness to provide for many governmental and semi-governmental projects, many of them unwise in the light of recent experience, but all of them intentionally constructive and undertaken with the objective of national betterment. Some individuals have unquestionably profited thereby but I do not concede that this fact proves the vulnerability of your governmental policies in the past.

The Canadian banking system has so often been highly praised lately in the United States press that perhaps a reference here is unnecessary. Nevertheless, certain sections in your press even go so far as to predict some similarity of conditions over here to those which have existed here for the past few weeks. Such comparison is so absurd as to merit no consideration were it not for the danger of poisoning the minds of an unthinking portion of the public against a system which while perhaps not infallible, has proven itself a tower of strength in times of utmost national stress. Errors of judgment in expansion, in the granting of loans on security which later become inadequate, and in the creation of investment portfolios, there may have been, but I happen to know personally that the most searching examination cannot disclose any trace of the arch maladministrations and outright dishonesty that is now being uncovered as having been practised by not only officials of the major banks on this side but by smaller institutions throughout this country. The recent principal disintegration of the American banking system has left industrial, commercial and personal ruin in its path. Fortunately President Roosevelt's decisive actions and proposed legislation will be a means of reorganizing our system upon a new and more secure basis wherein banks will be banks and not bucket shops, but notwithstanding the good to accrue in the future, much irreparable damage has been done. This disintegration will not and cannot happen in your country.

I do not presume to present a detailed symposium on this subject of comparison as space does not so permit, but must conclude by advising, however, that your good weekly should be over cautious about "shouting fire" in a crowded theatre when only a small corner of the scenery has taken fire and can easily be extinguished.

American economists are in agreement that Canada has a future as great as any other country in the world. The assurance of this future lies fundamentally in the confidence of its people in the integrity of its people.

U. S. READER.

Indianapolis,
March 30, 1933.

Other Peoples' Views

Keeping C.N.R. in Politics

Border Cities Star, Windsor.—Prime Minister Bennett assured Parliament on Thursday that the railway problem is most pressing but that Parliament will retain its control over C.N.R. expenditure. Rt. Hon. W. L. MacKenzie King was insistent that Parliament should not be divested of control of the C.N.R.

In other words both major parties in Canada do not want to let go of the C.N.R. As Mr. Bennett says, the C.N.R. would be in receivership if it were a privately operated road. It threatens to ruin the nation financially. But, even so, both political groups want to keep a finger in the pie.

Should Charge Tolls

The Calgary Herald.—The original decision to maintain free canals on the Great Lakes and on the St. Lawrence to Montreal was probably dictated by need of meeting the competition of Buffalo with its short rail and Erie canal routes to New York. Further, it was felt that Canadian districts served by the canals would have been forced to pay more for the goods they bought, brought to them via the canals. The complete railway main branch systems since constructed nullifies this argument to a great extent, but the Buffalo threat remains. Admittedly, Canada at present cannot afford to continue the free canal system because of revenue conditions and also because the water route is robbing the hard pressed railways of traffic which they much need.

C.P.R. in Leading Strings

Chronicle-Telegraph, Quebec.—Compulsory co-operation may be a necessary evil but there is nothing to be gained by closing our eyes to the fact that it does involve a very serious invasion of the rights of private property, falling short only of outright confiscation.

Guilt-Edged Paper

Halifax Herald—Ponder over the tragic scene that took place before Bankruptcy Referee Garfield Charles, in Chicago, the other day.

It was the last day for filing claims against two defunct Insull financial houses and before Referee Charles there rose a mound of worthless paper which weighed a full ton.

This tremendous mass of paper represented claims totalling $300,000,000, sent in by some 21,000 investors. Today it is next to worthless.

Speaking with moderation, Referee Charles called it "the tragedy of the century."

No form of regulation could be too drastic if it prevented a thing like that from happening again.

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Firestone High Speed Tires now carry a liberal new guarantee which fully protects you against tire trouble caused by blowouts, cuts, bruises and other road hazards for a period of 12 months—*another good reason why you should buy Firestone Tires.*

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The Week in Business

Wholesale Price Rise Best in 3½ Years

WHILE more sensitive indices, compiled weekly, have failed to maintain the increases shown in March, the rise in the wholesale price index of the Dominion Bureau of Statistics for that month is nevertheless hopeful. The increase from 63.6 to 64.4 marked the best advance made by the index since August, 1929, and, with the exception of a slight rise in September, 1932, the only one.

Only two of the eight groups which comprise the index failed to gain over February, these being iron and its products which fell 0.2 points and non-metallic minerals which fell 0.7 points on lower prices for gasoline and cement. Fibres and textiles and wood and wood products remained at the same level as February with little change in their internal components.

* * *

Farm Products Lead Advances

PROBABLY the most cheering increases in the index are those made by animals and their products and vegetable products. The former group showed two seasonal declines in lower quotations for eggs and calves but all other components, including an unseasonal rise in butter, were higher than in the previous month. Good gains made by all grain crops were sufficient to offset the seasonal decline in prices of roots; clearing of stocks of canned products is reflected in a lower index for these items.

All non-ferrous metals at least maintained their position of the previous month and gains in copper, lead, silver, tin, zinc and antimony were sufficient to raise the index from 58.3 to 59.8. A much more appreciable gain is required in this index, however, before any material benefit to the mining industry is accomplished, although the index is actually higher than at the same date a year ago.

* * *

Leak on Sugar Tax Occurred Early in March

MARCH sugar statistics would seem to indicate that the leak regarding the 2 cent sugar tax took place some time during the first week of March, as shipments of granulated sugar during the week ended March 11, jumped to 32,441,803 pounds from 15,657,631 pounds in the previous week and this high level was maintained during the two succeeding weeks. Just how high these weekly shipments are is seen in a comparison with average weekly shipments during the first six months of the prosperous year of 1928. In that period, average shipments were 17,100,000 pounds, or approximately one half of the shipments during the latter three weeks of March, 1933.

Shipments in the four weeks' period ended March 25 amounted to 117,650,000 pounds compared with 47,135,730 pounds during the same period of 1932, and as shipments in January and February were about the same as in 1932 it can be assumed that the difference of 70,000,000 pounds was shipped in an endeavor to avoid payment of the 2-cent tax. Assuming that all of these 70 million pounds evaded the duty, the loss to the Government in taxes was $1,400,000. This is on factory shipments alone, lower stocks left in the hands of retailers would increase this amount lost by the Government through leakage of information. The total amount lost was estimated by The Financial Post (April 1) to be in the neighborhood of $5,000,000.

* * *

Footwear Production At Low Level

RELEASE of February statistics for the boot and shoe industry shows that production has fallen to the lowest level in recent years, the production for that month being 23 per cent below that of February, 1932, and 6 per cent below the previous low for the month recorded in 1931.

Car loadings declined further from the year's high point of the eleventh week to 59.11, during the thirteenth week ended April 1. Lower grain loadings in the western division were entirely responsible for this decline, other commodities in the West and the general index for the East being higher. However, there is still a large amount of grain in country elevators which will have to be moved. In the eastern division, coal was the only commodity to show lower loadings, good advances being made by miscellaneous freight and pulpwood.

Table Report on Elevators

Nineteen grain elevators are operated throughout Canada under the control of the Dominion Government, according to a report tabled in the House of Commons. Of these the Department of Railways and Canals controls three, that of Trade and Commerce six and various harbor commissions ten.

Business Conditions in Canada

CHEAPER MODELS MORE IN EVIDENCE IN RADIO SALES

Sixty Per Cent of Sets Sold Worth Less Than $100

Sixty per cent of electric radio receiving sets sold in Canada during 1932 were priced at the factory at less than $100 as compared with 47.6 per cent of the sales in 1931, according to an analysis made by The Financial Post of a report on the radio industry issued by the Dominion Bureau of Statistics. The net result of this trend toward cheaper models is seen in the comparison of total sales in 1931 and 1932; in the former year 286,122 sets valued at $18,141,347 were sold while in 1932, sale of 133,454 sets brought $6,758,959, or an average price of $63.40 in 1931 compared with $50.60 in 1932.

Sales of battery operated receiving sets, while amounting to only 7,680 valued at $391,362 in 1932, were greater than in the previous year when 6,335 sets worth $361,313 were sold, the Prairie Provinces being the chief market. Sets made for installation in automobiles, motor boats, etc., sold to the number of 550 having an average price of slightly less than $60.

Ontario Chief Outlet

Although only 21 combined phonograph and radio sets valued at the factory at less than $160 were manufactured in 1932, sales of models in this price class numbered 1,854 compared with 1,333 in 1931. Total sales of combination models at 4,907 in 1932 were considerably below the 1931 total of 13,738, the comparative value being $415,513 and $1,794,526.

Ontario was the chief outlet for radio sets in 1932, over 40 per cent of all sets being sold within that province. The average price per set is lowest in Ontario with $49.20 but the spread between the different provinces is not large, the highest average being $53.20 in Alberta.

Sales by types and price classes and by provinces are as follows:

Sales of Radio Sets in Canada

	1932	1931
A. C. Receiving Sets:		
Below $65	23,201	24,551
$65 to $100	49,043	101,489
$100 to $200	44,697	121,047
Over $200	3,376	18,277
Total	120,317	265,364
Value at works	$5,921,712	$15,953,624
A. C. Combination Sets:		
Below $160	1,854	1,333
$160 to $256	2,146	5,510
Over $256	907	6,895
Total	4,907	13,738
Value at works	$415,513	$1,794,526
Battery Sets:		
Table models	1,353	1,353
Console models	6,327	4,982
Total	7,680	6,335
Value at works	$391,362	$361,313
Miscellaneous:		
Total	550	685
Value at works	30,372	31,884
Total sets	133,454	286,122
Value at works	$6,758,959	$18,141,347

Sales of Radio Sets by Provinces

	1932		1931
	No.	Value	No.
P. E. I.	532	$ 27,596	904
Nova Scotia	5,467	287,503	9,798
New Brunswick	2,741	137,555	6,596
Quebec	30,545	1,581,859	78,171
Ontario	52,412	2,578,464	126,404
Manitoba	12,876	644,864	19,340
Saskatchewan	7,286	375,677	7,158
Alberta	8,773	467,057	13,849
British Columbia	12,828	658,384	28,902
	133,454	$6,758,959	286,122

OTTAWA LIMITS USE OF TRAWLERS

Will Reduce Number in Operation This Year by One-third

From Our Own Correspondent

MONTREAL.—Federal authorities will reduce by one-third the number of trawlers which will be licensed to operate from Nova Scotia ports this year. This policy was adopted by Ottawa following representations made by the Nova Scotia Government and other interested parties.

At present six Halifax trawlers are on the fishing banks off Nova Scotia. The licenses of only four will be renewed during the coming year.

There has been considerable speculation of late in the prospects of the shore fishermen having the number of trawlers in operation limited. It was contended that the trawler did damage on the fishing banks and seriously interfered with the ability of the shore fishermen to earn a livelihood.

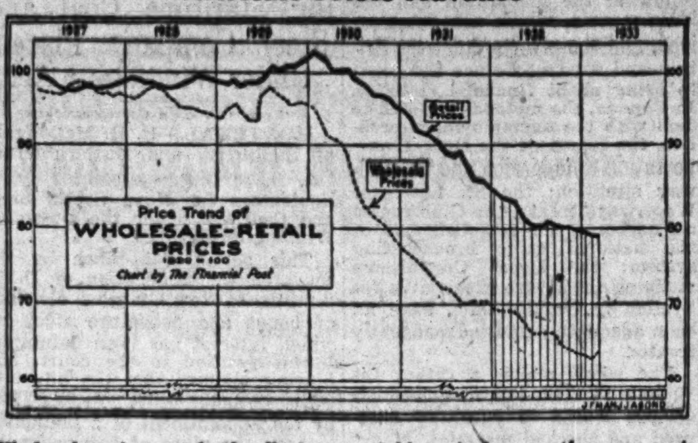
By limiting the number of trawlers in operation to four, the large catch of fish of the other two vessels will have to be replaced by individuals. This work is expected to provide work for a large number of the shore fishermen.

Value of Fur Farm Sales Slightly Lower in 1931

Revenue derived by fur farms from the sale of live animals and of pelts during 1931 was $3,563,460, the value of the pelts sold contributing $3,071,460, or 86 per cent of the total. There was a considerable increase over the preceding year in the number of pelts sold, but owing to low prices paid for all kinds of furs the total value shows a slight decrease.

Silver fox was the principal item in the sale of pelts, with a total of 95,851 skins, a total value of $2,835,470, and an average value per pelt of $30.

Wholesale Prices Advance



Wholesale prices made the first appreciable gain in over three years in March, chiefly influenced by higher levels of grains and meats. Retail prices and cost of services failed to react, however, and showed a slight decline.

New Tariff Board Lacks a Secretary

Nine Applications Ready But Nothing Can be Done Till Hector McKinnon Available

From Our Own Correspondent

OTTAWA.—Due to the fact that the Tariff Board will be unable to proceed with organization work until the budget debate is concluded, the probable date for the hearing of the applications for tariff reductions forwarded from Great Britain has been set back at last until May.

The fact is that the Tariff Board has been placed in a somewhat similar dilemma to the one which overtook the Radio Commission. The Radio Commission was appointed last October but did not begin really to function until January, owing to the absence of one member of the commission.

Lack a Secretary

The three members of the tariff board have been appointed and are now at Ottawa, but the secretaryship cannot be filled until Hector McKinnon, tariff expert of the finance department, is available. And Mr. McKinnon will not be available until Hon. E. N. Rhodes, minister of finance, has got his budget through the Commons.

Mr. McKinnon, who has had experience in matters of tariff and who was the secretary of the old Liberal tariff board, is being relied upon to select the staff for the new Tariff Board. He will be seconded to the board from the finance department for this purpose, and once the board is functioning smoothly he will return to his permanent post with Mr. Rhodes.

Nine Items Ready

Meantime, it has been decided that nine items of tariff will be the first to be investigated by the board. All nine have been the subject of application from British manufacturers. They are:

Item 551, Yarns, composed wholly or in part of wool or hair but not containing silk or artificial silk, n.o.p., present tariff: B. P., 15 per cent plus 11¼ cents per lb.; I.T. 20 per cent plus 20 cents per lb.; G.T. 22½ per cent plus 22½ cents per lb.

551 a, Yarns and warps composed wholly or in part of hair, imported by manufacturers for use exclusively in their own factories, n.o.p., present tariff:— B.P., 10 per cent plus 7½ cents per lb.; I.T., 17½ per cent plus 15 cents per lb.; G.T. 20 per cent plus 17½ cents per lb.

552, Felt, pressed, of all kinds, in the web, not consisting of or in combination with any woven, knitted or other fabric or material, present rates: B.P., 15 per cent plus 7½ cents per lb.; I.T., 22½ per cent plus 17½ cents per lb.; G.T., 25 per cent plus 20 cents per lb.

553, Blankets of any material, not to include automobile rugs, steamer rugs, or similar articles, present rates: B.P., 22½ per cent plus 10 cents per lb.; I.T., 30 per cent plus 25 cents per lb.; G.T., 35 per cent plus 30 cents per lb.

554, Woven fabrics, composed wholly or in chief part by weight of yarns of wool or hair, not exceeding in weight six ounces to the square yard n.o.p., when imported in the grey or unfinished condition, for the purpose of being dyed or finished in Canada, present rates: B.P., 20 per cent plus 9¼ cents per lb.; I.T., 25 per cent plus 17½ cents per lb.; G.T., 30 per cent plus 20 cents per lb.

554 b, Woven fabrics, composed wholly or in part of yarns of wool or hair n.o.p., present tariff: B.P., 27½ per cent plus 18¾ cents per lb.; I.T., 35 per cent plus 30 cents per lb.; G.T., 40 per cent plus 35 cents per lb.

554, ex, Woven fabrics composed wholly or in part of yarns of wool or hair, weighing not less than eighteen ounces per square yard, present tariff: B.P., 25 per cent plus 20 cents per lb.; I.T., 35 per cent plus 30 cents per lb.; G.T., 40 per cent plus 35 cents per lb.

555, Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p., present tariff; B.P., 30 per cent plus 18¾ cents per lb.; I.T., 40 per cent. plus 32½ cents per lb.; G.T., 40 per cent plus 35 cents per lb.

568, Knitted garments, knitted underwear, and knitted goods, n.o.p., present tariff: B.P. 25 per cent; I.T., 35 per cent plus 25 cents per lb.; G.T., 45 per cent plus 30 cents per lb.

Good Advance In Price Index For Past Month

Marking the first substantial advance since August, 1929, the index number of wholesale prices compiled by the Dominion Bureau of Statistics rose from 63.6 in February to 64.4 in March. Actually the previous increase was recorded in September, 1932, but in that case it was only from 66.8 to 66.9.

Higher quotations for vegetable and animal products was the chief cause of the advance, the increase in quotations for all grains being more than decreases in root crops, while in the animal products group only eggs and calves were lower. Non-ferrous metals also advanced on higher prices of copper, lead, silver and zinc.

Non-metallic and iron groups declined slightly while the others remained at the level of February. Indices for March compared with the previous month are as follows:

Indices of Wholesale Prices
(1926 = 100)

	Mar.	Feb.	Change
Veg. products	52.1	50.8	+1.3
Animal products	58.2	55.8	+2.4
Fibres & textiles	67.9	67.9	....
Wood & products	63.2	63.2	....
Iron & products	85.0	85.2	—0.2
Non-ferrous metals	59.8	58.3	+1.5
Non-metallic metals	85.0	84.8	—0.7
Chemicals	82.6	82.4	+0.2
Total index	64.4	63.6	+0.8

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Apr. 8	Previous week	Same week last yr.
Cattle (cwt.)	$5.15	$5.00	$6.50
Copper, lb.	.05¼	.05	.05⅝
Cotton, lb.	.0655	.0640	.0620
Rubber, lb.	.0310	.0296	.08
Silk, lb.	1.20	1.20	1.50
Sugar, raw, lb.	.0305	.0295	.0260
Wheat (Man.) bu.	.48⅞	.49⅝	.56⅝
Hides, lb.	.05½	.06	.06
Coffee, lb.	.07⅝	.07⅝	.07⅝

Weekly Indices

N. Y. Annalist	81.9	82.1	90.5
Fishers'	56.2	56.4	†62.0
N. Y. Journal of Comm.	53.6	54.0	58.5
Crumps (Brit.)	59.7	60.0	†62.4

†Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Mar.)	64.4	63.6	69.1
Retail (Feb.)	79.0	79.7	84.5
U. S. Labor (Feb.)	59.8	61.0	66.3
Gt. Brit. (Feb.)§	47.1	46.9	50.6

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§ Converted to U. S. dollar equivalent.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Botany Dryspinners, recently established in Kincardine, Ont., announces that the first Botany yarns are now being produced in the company's plant. The company started erection of their plant about a year ago.

Canada Match Co., whose plant at Hull, Que., was recently destroyed by fire, has started rebuilding. Edouard Brunet and Sons, general contractors, Hull, have been awarded the contract.

Northern Paper Mills, Limited, Canadian subsidiary of a Wisconsin company of the same name, has leased space in Toronto and will shortly install machinery to manufacture the United States company's line of paper products, including tissues. A. J. McCrea, of Toronto, will be in charge of Canadian operations.

Robin Hood Mills, Ltd., Calgary, plans construction of a 450,000 bushel storage building in that city at a cost of $70,000.

United Brewery Ltd., a British Columbia company, plans construction of a $500,000 brewery in Edmonton if government permission can be obtained. An option on a site has been taken.

A Lumber Products company, to be incorporated with a capitalization of $500,000, is planned to shortly commence operations in Saint John, N.B., utilizing the vacant plant of the British Canadian Packing Co. and providing employment for about 100 men. George B. Oland is in charge of organization.

Faith Manufacturing Co. of Canada, Ltd., a newly incorporated Canadian subsidiary of a Chicago, Ill., company, has leased manufacturing space in Toronto, and will shortly commence manufacture of an extensive range of plumbing and bathroom fixtures, radiator and tank caps for automobiles and several lines of golf clubs. A. F. Gardiner will be in charge of factory operations.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Apr. 1)	34,584	41,391	430,799	585,333
C. P. R. gross earn. (Mar. 31)	$ 2,802,000	$ 3,322,000	$ 23,573,000	$ 28,521,000
C. N. R. gross earn. (Mar. 31)	$ 3,543,935	$ 4,231,021	$ 26,534,207	$ 34,201,350
Automobile exports, No. (Feb.)	277	414	781	996
Monthly				
C. P. R. net earn. (Feb.)	$ 96,611	$ 229,434	$ 419,983	$ 846,913
C. N. R. net earn. (Feb.)	$ ‡1,401,934	$ ‡589,428	$ ‡2,822,782	$ ‡1,177,550
Iron and Steel—				
Pig iron, tons (Feb.)	6,144	10,507	35,353	20,812
Steel, tons (Feb.)	12,374	28,469	53,140	83,529
Automobiles prod., No. (Feb.)	3,298	5,477	6,656	9,208
Automobile exports, No. (Feb.)	277	414	781	996
Construction—				
Building permits (Feb.)	$ 906,906	$ 2,845,271	$ 2,070,784	$ 6,056,283
Contracts (Mar.)	$ 3,191,600	$ 10,766,700	$ 9,703,300	$ 38,307,600
Newsprint—				
Production, tons (Feb.)	125,610	158,543	266,149	329,864
Exports, tons, (Feb.)	107,446	142,445	235,225	315,358
Sugar—				
Imports, raw, lbs. (Feb.)	11,998,200	24,368,700	20,620,100	36,354,400
Melt & ship., lbs.*	57,890,777	52,912,044	95,698,813	108,338,888
Manufactured, lbs.*	55,432,178	51,876,286	103,082,420	105,448,206
Flour—				
Production, bbls. (Feb.)	844,899	842,123	1,604,006	1,699,315
Wheat flour exp., bbls. (Feb.)	333,114	337,513	730,418	669,319
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Feb.)	37.71	60.44	76.89	114.29
Boots and shoes, pr. (Jan.)	921,898	1,112,192	......	......
Petroleum, imp. crude, gal. (February)	37,555,919	48,582,747	72,640,869	121,311,390
Cotton, imp., raw, lbs. (February)	6,026,000	7,074,000	14,791,000	15,702,000
Rubber, raw, imp. lbs. (Feb.)	2,631,013	3,859,283	5,294,427	7,770,689
Coal, imports, tons (Feb.)	455,272	508,696	941,478	1,138,329
Gasoline sales (Jan.)	27,712,000	25,354,000	......	......
Trade—				
Imports (February)	$ 23,514,114	$ 35,586,085	$ 47,955,247	$ 69,700,592
Exports (February)	$ 26,397,528	$ 36,431,055	$ 57,959,341	$ 74,797,754
Wheat exports, bus. (Feb.)	10,922,337	9,898,363	25,629,138	19,370,709
Labor—				
Employment Index (Mar.)	76.9	88.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.)	1,299,566	1,325,133	2,696,205	2,739,051
Finance—				
Failures, No. (Jan.)	213	238	......	......
Failures, Liabilities (Jan.)	$ 4,040,929	$ 4,060,643	......	......
Bank debits† (Feb.)	$ 1,830,277	$ 1,990,046	$ 3,799,152	$ 4,061,081
Bond sales (Feb.)	$ 209,000	$ 21,270,069	$ 20,412,610	$ 67,482,155
Insurance sales (Feb.)	$ 26,323,000	$ 38,145,000	$ 75,476,000	$ 81,368,000
Automobile Financing:				
Used cars (Feb.)	$ 631,147	$ 801,668	$ 1,165,804	$ 1,614,164
New cars (Feb.)	$ 530,449	$ 727,705	$ 982,201	$ 1,360,412

*Four weeks period, Mar. 4 to Mar. 25. †(000's omitted). ‡Deficit.

Food Bill Down In Chief Cities of Dominion

With the exception of two, all the 60 leading Canadian cities recorded a reduction in food costs on February 1, compared with the beginning of the previous month, according to figures compiled by the Department of Labor at Ottawa showing the weekly workingman's food bill.

Charlottetown, P.E.I., and Sudbury, Ontario, were the only cities to increase over the previous months, the reduction in other cities ranging from 40c downward. St. Hyacinthe remains the cheapest city to live in as far as food is concerned, the figure for that city being $5.73, while Nanaimo, B.C., is highest at $7.44.

Average weekly rentals for all leading cities are the same as at January 1, Oshawa, Ontario, and Amherst, N.S., being the cheapest at $4 and $4.13 respectively, the rental being computed on the basis of a workingman's six-roomed house with modern conveniences.

SLOW INCREASE IN COTTON SALES DURING MARCH

First Quarter of Year Was Slack in Textile Industry

From Our Own Correspondent

MONTREAL.—Bulk purchases for forward delivery, deferred during January and February, have been a notable feature in the cotton textile industry in recent weeks and there has been a slow, steady increase in trade purchases during March on seasonal lines. The situation reflects the hesitancy shown by the trade in the first three months of the year when cotton sales were of considerably lower volume than in the same period last year. Mills are averaging an operating rate of 60 per cent of capacity.

Current shipments of goods are fairly heavy though large shipments for Western Canada are being held up until the opening of navigation with the result that inventories of finished and unfinished goods on hand at the mills are larger than usual for this time. Better demand for prompt deliveries during the current month are looked for.

Silk is Competitor

With raw silk at low levels, silk goods are giving increasing competition to novelty, styled and dress fabrics of cotton. Competition from the United Kingdom continues with imports from that source maintained despite a general contraction in total importations. In February imports of cotton yarns and fabrics from the United States were down from 856,093 pounds last year to $425,879 pounds this year but U. K. imports were 730,428 pounds in February against 733,998 pounds in February, 1932.

Canadian cotton manufacturers are also faced with the increase in costs due to application of sales tax on mill and processing supplies under the new taxation.

SPECIAL DUTIES ON N. Z. BUTTER FAIL IN PURPOSE

Unusual Prices in Canada Make Competition Possible

It would appear that the rapid action of the Dominion Government in passing an Order-in-Council making a dumping duty, calculated on the difference between the current valuation of New Zealand pound and $4.25, applicable on a shipment of butter from New Zealand has failed in its objective of preventing this butter from underselling the domestic product. Wholesalers in Toronto have been offered this butter laid down there at 26½ cents a pound compared with the domestic price of between 29 and 30 cents.

In addition to the dumping duty and the usual duty of 5 cents a pound, the shipment was valued at $4.86 2/3 to the pound for sales and excise tax purposes. The New Zealand price of between 12 and 13 cents therefore was increased by the addition of 5 cents for duty, 4 cents for dumping duty, about 1 cent for sale and excise tax and the balance for freight from Vancouver.

Collect Dump Duty

This Order-in-Council authorizing a valuation of $4.86 2/3 for the pound for sales and excise tax purposes and application of the dumping duty applies only to this one shipment of butter which left New Zealand on March 14 and which is at present in Vancouver, and does not affect other trade with that country in any way.

It will not be possible for New Zealand producers to repeat this competition with the domestic product, according to the trade, as the present high level of butter prices in this country is a freak one and should be rectified within a week or so. New Zealand producers merely took advantage of an extraordinary condition in this market to rush a shipment of butter here in hope of a good return.

Business Briefs

Car Loadings in the week ended April 1 amounted to 34,584 cars, a decrease from the previous week of 948 cars, due entirely to reduced grain loadings. The index number decreased from 59.28 to 59.11.

Wheat Stocks at March 31 amounted to 226,742,716 bu., about 1,500,000 bu. greater than the previous week and compared with 184,000,000 bu. in the same week a year ago.

Wheat Exports in the week ended March 31 totalled 2,668,855 bu., less than in the corresponding week of 1932 by 25,525 bu.

Raw Sugar Imports during February amounted to 20,906,000 pounds compared with 28,422,500 pounds in February a year ago. The total for the first two months of the year is almost equal to that of the first two months of 1932.

Leather Footwear production in February numbered 1,200,276 pairs compared with 921,898 pairs in January and 1,558,413 pairs in February, 1932.

Failures under the Bankruptcy Act for the week ended April 1 numbered 45 compared with 34 in the same week a year ago. For the year to date failures number 525 a decrease of 45 or 7.8 per cent from a year ago.

Extend Acreage of Hops

In anticipation of improved markets this year, British Columbia hop growers are acquiring more land and adding to acreage under cultivation. There are five growers now operating in the province with farms ranging from forty to six hundred acres. In the reclaimed area at Sumas very successful crops have been raised.

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Engineer's report and map of property available for interested parties. Brokers are not invited to apply. For further particulars write WILBERFORCE, 287 Mossom Rd., Toronto, Ont.

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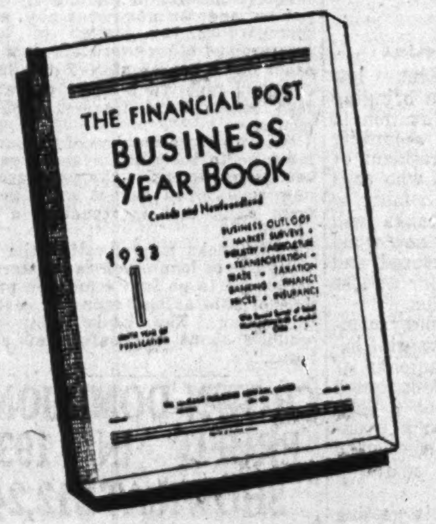

In The Financial Post Business Year Book, new 1933 edition, facts and figures on Canadian business activities are so intelligently chosen, analyzed and grouped as to make reference to this book interesting and satisfying not only to Canadian business men but also to economists, statisticians, financiers and government officials in other countries throughout the world.

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The Financial Post Business Year Book, 1933, is of particular interest and value to business men who want facts and not guesses when searching for new markets for their goods, and for accurate and up-to-date economic data about Canadian business activities. It contains a clear, simple, well-illustrated and thoroughly indexed record of Canada's economic progress during the preceding twelve months. It covers every phase. It is planned for business executives, investors, educationists and professional people.

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PINE NEWSPRINT LATEST MENACE TO CAN. MILLS

Claimed Better Paper Can Be Produced From Cheaper Sources

CROPPING FEASIBLE

Considerable Money Needed to Develop Industry on Large Scale if Claims Proven

Newsprint manufacturers of Canada and the United States now face what may prove a more serious threat of competition than the Scandinavian offerings. Reported success of Dr. Charles Holmes Herty, chemist, in his effort to make good newsprint out of the young slashpine of the Southern States gives a second string to the bow of the United States publishers who desire to maintain a competitive ferment in the industry. Briefly, if his conclusions from his experiments are sound, a better, stronger and whiter newsprint paper can be made cheaper than can paper now made from spruce. Paper makers belonging to the Institute of Paper Chemistry at Appleton, Wis., are reported to have adopted a somewhat sceptical attitude until Dr. Herty can show that his paper can be used effectively in large city newspaper presses running at full speed.

Whether Dr. Herty's dream comes true or not, he has to be listened to. He knows his Southern pine. Thirty years ago he revolutionized the turpentine industry of the South by devising a system of guttering trees instead of the great gouge by which turpentine gatherers had "boxed" and ruined trees previously. He also devised the Herty turpentine cup and quite a pine boom developed.

Financed by Georgia

To try out his idea about using young slashpine for newsprint Dr. Herty helped establish The Chemical Foundation through which he got $50,000 to develop his idea. The state of Georgia gave him $40,000 and may raise the amount to $100,000. He constructed a mechanical pulp mill and in the latter half of March produced pine paper at his experimental plant.

Here are the big claims which Dr. Herty made before the American Chemical Society at Niagara Falls, N.Y.

"This new product has a burst strength of 10 to 12 pounds per square inch compared with only six to ten pounds for the standard newsprint. It is a 30-lb. paper while the standard is 32. This means that newspapers, if able to buy it, would receive 6.66 per cent more sheets per ton and their mailing costs by weight would be 6.66 per cent less."

Says Supplies Are Cheaper

There are doubtless wonderful things which Canadian research engineers may find out to cheapen production here in order to meet possibly new competition from the Southern States along the lines suggested by Dr. Herty. As things stand, however, Dr. Herty says that pine pulpwood in the South sells for $3.50 a ton whereas spruce pulpwood costs $9 or $10 a ton. Most of the sulphur used in paper-making goes from Louisiana to Canada and the clay for filler for book paper is got in large quantities right in Georgia. Southern costs in making pine newsprint, says Dr. Herty, will be less in these important points.

Lots of Land Available

A scientific forester in Canada, who was questioned with reference to Dr. Herty's claims, by a representative of The Financial Post, said that the industry in Canada should give close attention to Dr. Herty's efforts. Paper engineers have been following the experiment to date with interest, and they are not inclined to think that Dr. Herty would claim more than he thought could be accomplished. They differ considerably on the probable area which could be devoted profitably in the Southern States to growing young slashpine. One man thinks that 10,000,000 acres of suitable young slashpine would be immediately available for such an industry and that probably 100,000,000 acres could be planted if the paper proves up.

The hard pine referred to by Dr. Herty, The Post's informant states, would have to be cut at ages varying from seven to 15 years as resin develops in the tree after that. They could be cropped successfully and a perpetual rotation obtained. At present pulpwood could probably be obtained from settlers cheap but whether or not settlers could be depended on for a 15-year rotation he did not know. He thought few settlers would plant for a harvest 15 years away. In 15 years slashpine would give a log of from 16 to 20 feet with a minimum diameter of four inches. He thought also that if production were attempted on a large scale costs would go up as a large scale plan would entail planting, pruning and fire protection. Any menace to the Canadian industry would therefore be a comparatively slow growth in his opinion.

Grinding Through to Solvency

Large makers of paper in Canada depend on the United States publishers for selling the major portion of their product. Most of them are in the hands of the banks and are running under receivers because of over-building of mills. Mills have under present auspices been steadily grinding their way through huge wood piles created some years ago. The usual processes of decay are destroying other wood piles contiguous to higher cost mills just as surely and successfully. When the surplus of wood is used up and only the lowest cost Canadian mills find they can get help from the banks to replenish their wood piles, costs will drop, because these efficient mills will be run at capacity or near it with a consequent effect in lowering costs. Much depends also on the ability of makers to rid themselves during their present bankruptcy of the higher cost mills and the large contracts for power which hang around their necks like the biblical millstone or cling to their backs like the proverbial Old Man of the Sea.

Some of the astute backers of the newsprint game in Canada have foreseen a time when all these factors would make Canadian pulpwood limits again of great value. They have realized that the swift expansion of the 20's played right into the hands of the publishers who were nettled by dictatorial settings of price and took advantage without hesitation of the embarrassing position the industry found itself in from 1928 on. Newsprint mills will soon be in a bargaining position again: being bankrupt their costs are low and when present pulpwood is used up it can be taken for granted that Canadian banks will finance only the most favored projects. But if Dr. Herty's ideas will work the South will get ready as well and will try to get a portion of the business. Of course, a large-scale business revival would give mills both North and South busy times again.

New Books

Planned Economy Seen As Alternative to Chaos

Economists in Britain and President Roosevelt in United States Prefer Old System Under Control to Communist State

Can we plan a depressionless world? Can we ever have a world that is free from booms and crises if there is not a broad scale scheme of economic planning? And if we are to have a programme of economic planning for the world whose job is to draw up the programme and whose job it is to put it into effect?

These are the questions that the keenest minds among the world's economists are asking today.

Salter's Viewpoint

We shall probably hear more of planned economy in Canada in the next few weeks for Sir Arthur Salter, the most brilliant of the writers and lecturers on the subject, will visit Canada before the end of April and speak in several eastern cities. In his "Recovery, The Second Effort" published a few months ago, he analyzed the present economic tradition of the world and offered to mankind the choice between:

The old automatic system of economy, which effected adjustments through changing crises in a field of free competition, a system which worked moderately well at one time but which has in recent years been impeded and obstructed by a hundred forms of control.

A system of complete economic planning under state control such as is being tried in Russia with both economic and political consequences which most people contemplate with grave misgiving.

A new system combining the advantages of both the opposite extremes. Sir Arthur Salter made out the case for the placing of private enterprise within a more intricate and skilful framework of control and planning.

It was a challenging book and has been followed up by Sir Arthur with some additional material in the form of speeches, pamphlets, articles, etc.

National Economy Councils

Sir Arthur Salter outlined in "Recovery" a scheme for establishing national economic councils to comprise the best business and economic brains of each country which would study the changing trend of business policy and act in an advisory capacity through national government, these economic councils to co-operate internationally.

Holding such views it was no doubt a very great pleasure for Sir Arthur Salter to write a preface for H. V. Hodson's "Economics of a Changing World" which carries the argument further. Mr. Hodson is a young British economist who has declined to set himself up as the prophet of a new economy but who recognizes considerable defects in the manner of presentation of our older economic theories. In his new book he sets out to discuss in comparatively simple language the older economic theories as they have been modified by practical experience and particularly recent experience. He assumes that the general shape of the present system will continue but, like Sir Arthur Salter, he recognizes that the present system of a partially self-righting system and a partially controlled system, subject to the rigidities of governmental action world over is an anomaly. Thus, his volume is a most useful contribution to economic science but it is much more than that; it is a book which will help to guide the average man through the sea of contradiction that makes up present economic theory.

Mr. Hodson presents a picture of the economic world of the future. He wonders if the inherent contradictions and dangers of our present economic, political and social order would not eventually compel the adoption of some entirely new system, either economic planning or more frankly, communism. But he does feel that it would be better for the present system in its general shape, to continue. In such a case, in the world of the future either the self-righting economic forces must be allowed much freer play than at present so that re-adjustment to changing circumstances may be achieved with far less waste and misery, or the congregation of individual wills must be still further controlled by the exercise of the public will, accelerating or smoothing the re-adjustment or presenting the circumstances themselves from changing so violently.

In short, the alternative, to Mr. Hodson, is that either trade must be freer or finance and production more subject to control.

Practical Planner

It is of absorbing interest to turn from the necessarily theoretical, even if logical, viewpoint of these two brilliant English economists to the ideas of a man who is actually putting into effect a scheme of economic planning. Franklin Delano Roosevelt. In "Looking Forward" there are presented Mr. Roosevelt's views on economic planning for the world and on a number of American economic problems. The volume was originally put together from a number of addresses and writings of Mr. Roosevelt, was gone over by him carefully and after the first edition was ready to print, was revised by him as recently as March 1, 1933. There is a remarkable resemblance between the programme presented by Roosevelt and the views expressed by Salter and Hodson. Possibly the most significant passages in his book come in the chapter on a need for economic planning where he says, "Let us not confuse objectives with methods. Too many so-called leaders of the nation fail to see the forest because of the trees. Too many of them fail to recognize the necessity for planning for definite objectives. When the nation becomes substantially united in favor of planning the broad objectives of civilization, then true leadership must unite through a definite method."

Roosevelt believes that the country demands bold persistent experimentation. He says, "It is common sense to take a method and try it; if it fails, admit it frankly and try another. But above all try something."

Is Man of Purpose

That Roosevelt is one of the strongest intellectual forces in the United States becomes quite obvious on reading his book and that he is a man of distinct purpose and that all his public actions will have as their objective the establishment of a definite plan for economic and social re-adjustment is obvious. "Looking Forward" really presents the programme for a new deal and it is not without significance that an economist like Sir Arthur Salter and a president like Franklin Delano Roosevelt are giving to the world such similar precepts and practice.

All of the volumes referred to are published by George J. McLeod Limited, 266 King Street West, Toronto. The price of "Recovery" is $3.50; of "Economics in a Changing World" $2.75 and of "Looking Forward" $2.75.

PAPER EXECUTIVE SEES RAY OF HOPE IN NEWS OUTLOOK

Pulpwood Stocks Are Smaller as Banks Cut Loans

From Our Own Correspondent

MONTREAL. — Present low prices for newsprint are bringing about a degree of stabilization in the newsprint industry, according to Neil C. Head, vice-president of International Paper Co., who says that manufacturers are coming to the point where the banks will not loan them money for new wood supplies to be manufactured and sold in the form of paper at less than the cost of production.

For some time past many companies manufactured newsprint because they had large supplies of wood. That practice contributed largely to bringing about a drop in prices and resulted in a situation whereby the major companies could not manufacture and sell newsprint at a profit.

The pulpwood supply is getting smaller. Some companies have closed down their mills because of this. In the opinion of Mr. Head this should have a wholesome effect in the stabilization of prices.

Limit Number of Operators

Another factor of importance is that present low prices for newsprint have eliminated some of the high cost producers. Newsprint delivered in New York is selling officially for $45 a ton. Some of the smaller companies are selling newsprint as low as $38 a ton, while the Scandinavian producers are offering it at even less. As a result of this competition and price reductions many of the companies in Canada have been forced into receivership.

"The great excess of productive capacity we have been hearing so much about is becoming less a factor every day," Mr. Head said. "At these prices for newsprint, a substantial part of this capacity is not at all operative. A substantial part of the industry has found that money cannot be made on newsprint now, even disregarding the matter of bond interest and other overhead. Just the other day a representative of a large company reported a heavy operating loss before bond interest requirements.

"Soon a large number of producers must go to their banks and arrange accommodations for the purchase of new wood. You cannot make paper from wood that is standing in the forest.

"The banks may question the advisability of loaning on raw materials which are to go into a finished product for sale at less than the cost of production. The banks may well wonder about the safety of such loans."

CROWN-DOMINION PROFIT IN 1932 SHOWN AT $12,240

Working Capital Down from 1930 — Mortgages, Loans Total $137,242

Crown-Dominion Oil net profit in 1932 at $12,240 compares with $10,657 in the preceding year. The information as to 1931 earnings is taken not from a financial statement, which is not available, but from a report understood to have been authorized by the company.

PROFIT AND LOSS
Year Ended Dec. 31

	1932 $	*1931 $
Revenue	931,839	......
Cost of sales	694,995	......
Expenses	224,604	......
Net profit	12,240	10,657

*1931 report not available.

Working capital is down somewhat from 1930, the principal items being $100,453 for accounts receivable and $30,558 for merchandise. Accounts payable are $73,701 and gasoline tax payable $18,357. A deferred account payable of $43,716 is shown.

Working Capital

	1932 $	*1930 $
Current assets	139,926	155,949
Current liabs.	95,674	93,739
Working capital	44,352	62,210
Ratio	1.46—1	1.66—1

*1931 report not available.

Fixed assets are shown at $673,011 and reserve against doubtful accounts and depreciation of fixed assets at $146,839. Mortgages and loans total $137,244.

ANNUAL REVIEW SURVEYS DRAMA OF TENSE YEAR

Year 1932 Revealed as One of Vital Importance

The current edition of the Canadian Annual Review of Public Affairs, covering the year 1932, is a particularly valuable one because it covers many phases of the world crisis and because it gives a complete review of the Imperial Economic Conference of 1932 held at Ottawa.

Reading over the head lines of different chapters in this old established Canadian annual classic, one realizes how rapidly the world is moving and how tremendously significant are the events of the day.

The Lausanne Conference on reparations, the disarmament conference and the Sino-Japanese dispute before the League of Nations are covered.

Dealing with empire affairs, the volume discusses the Economic Conference, the crisis in England, following the MacMillan and the May reports, which are summarized, and the efforts made by Britain and Australia since the crisis to bring about financial stability. In Canada, the methods adopted to deal with the unemployment problem, the report of the Duff Transportation Commission and the railway situation; the St. Lawrence Waterways treaty, the Gibb report on harbors; the establishment of the national radio broadcasting system; the Royal Commission studying the Hydro Electric Power System in Ontario, etc., have all been adequately and independently treated.

The whole makes a rather fat volume of 770 pages containing 460,000 words of carefully analyzed and checked material.

More and more the Annual Review volumes are coming to be regarded as an essential part of the library of any student of contemporary affairs and the 1932 edition carries on in an exceedingly capable fashion the high traditions set by J. Castell Hopkins who founded this series in 1901.

"The Canadian Annual Review of Public Affairs" is published by the Canadian Review Company, 121 Farnham Avenue, Toronto, 5, and sells at $8.

Quebec Timber Cut Higher

The timber cut from Crown lands in the Province of Quebec during 1932 was about 67,000,000 feet—a slight increase over 1931. There are about 10,639 square miles of such lands under timber license at present, according to official estimates.

JOINT LIQUIDATORS FAVORED BY COURT FOR SCOTIA STEEL

Big Maritime Coal and Steel Company Placed Under Winding-up Act

From Our Own Correspondent

MONTREAL.—D. H. McDougall, of Stellarton, and Eastern Trust Co., have been appointed joint liquidators for Nova Scotia Steel and Coal Co. under the Dominion Winding-up Act.

This action was taken by the court on the application of D. C. Sinclair, of New Glasgow, a holder of bonds and debenture stock on which interest has been defaulted. In his petition to the court, Mr. Sinclair claimed that the interests of the company could best be served by the appointment of a liquidator to take the place of receiver-manager.

Prior to the application the affairs of the company were being run by the Eastern Trust Co. and Gordon W. Scott, as joint receiver-manager, with Mr. McDougall acting in an advisory capacity. After first opposing the application for winding up, C. J. Burchell, K.C., company counsel, withdrew opposition and advanced the suggestion of joint liquidators which was considered favorably by the court.

On April 6 bondholders of Nova Scotia Steel met and adjourned the meeting until April 20 when it is hoped to have a large number of bondholders present. At this meeting F. H. M. Jones, general manager of the Eastern Trust Co. told the bondholders that investigations by the receivers indicated a substantial loss on all operations of the steel and coal company could be expected during 1933. He continued:

"Although anxious to carry on the work at the mines, the receivers find themselves in a very difficult position. Competition by English and low costing coal fuels is very keen and it does not seem possible to operate the mines under present conditions without facing serious losses.

"The receivers are without funds and if necessary operations are to continue, they must borrow money. Money cannot be borrowed without assurance of a return within a reasonable time, and unless the employees are prepared to make sufficient sacrifice to enable the company to produce coal in keeping with today's prices, the receivers are convinced that borrowing will not be possible.

"We are faced with a serious problem, and the situation in all aspects is a complicated one. I have been in communication with the miners regarding wages. The wage bill must be reduced, otherwise we cannot carry on. At this meeting it was hoped to decide on the matter of borrowing, but with a minority of bondholders present this is not possible."

B. C. Herring Pack Extremely Light

From Our Own Correspondent

VANCOUVER.—Chaotic conditions in the Orient, where the best market is usually to be found, resulted in a severe falling off in the pack of drysalt herring in British Columbia last season.

The actual pack totalled 26,942,000 pounds, the smallest since 1919 and far below the peak year, when 108,317,400 pounds were packed.

The run of herring was good, however, and there is assurance that so far as supply is concerned the industry need have no fear of the future.

The same applies to pilchard, but the production of fertilizer and pilchard oil and meal was low owing to depressed markets.

Whale oil, fertilizer and bone prices were down so low that the whaling industry did not operate its fleets at all last season.

DOMINION SQUARE DEFERS INTEREST FOR THIRTY DAYS

Elects Period of Grace Before Meeting Bond Interest

From Our Own Correspondent

MONTREAL.—Bondholders of Dominion Square Corp., owners of a large office building in the uptown section of Montreal, have been notified that the company is taking advantage of the 30 days grace allowed under the trust deed on the semi-annual interest due April 1, 1933, on the first mortgage sinking fund 6 per cent bonds.

Rentals in the Dominion Square Bldg. have been limited and earnings have not come up to expectations. It will be recalled that last October the company took advantage of the 30 days grace to defer interest on the first mortgage bonds. Subsequently arrangements were made by the junior security holders to meet this obligation.

Not Earned Interest

Toward the end of October last it was stated that Dominion Square Corp. was earning its operating costs, taxes and approximately three quarters of its first mortgage bond interest.

While there is no official word, it is anticipated that arrangements will be made to meet the first mortgage bond interest before the expiration of the 30 days grace. There is a substantial junior cash equity in the property and the holders of this equity will possibly make arrangements to meet the first mortgage bond interest in order to maintain their position unimpaired.

Hydro-Electric Power Commission of Ontario

ANNOUNCEMENT

Free Electric Flat Rate Water Heaters for Every Hydro Home in Ontario

To THE CITIZENS *of* ONTARIO

The Hydro-Electric Power Commission of Ontario is prepared to place in every Hydro home a flat rate electric water heater at no charge to the consumer. This means that an electric heater complete with accessories—heating element, thermostat and tank insulation and the necessary wiring—will be installed in any Hydro home in Ontario where facilities exist *absolutely free of all installation cost to the consumer.* All the consumer has to do is to pay for the current he uses at a new low flat rate. This plan provides for the free installation of "Flat Rate Water Heaters" only where such electric hot water heaters are not already installed. This offer will be made for a limited period of time—the expiry date to be announced later.

In homes where a "Booster" heater may be required in addition to the "Flat Rate Water Heater" installation will be made and the consumer will pay a nominal monthly charge which may give him exclusive ownership of the heater at the end of a five-year period.

Why this offer is made to you

The Hydro Commission submits this offer to the people of Ontario for two reasons:

To increase consumption of electrical power.
To set to work as many Ontario citizens as possible.

UNUSED POWER. Owing to the present long-continued depression, resulting in the slackening of industry throughout the province and the material falling off in the consumption of power by industrial consumers, the Commission possesses power capacity which if not used will be lost. In order to absorb this power the Commission is prepared to install electric water heaters in all Hydro homes *free of cost,* believing that mutual benefits will be conferred on (a) the user through free equipment and a water heating service superior in availability, convenience and comfort to any other method of water heating; (b) the Commission through revenue obtained by the sale of power.

EMPLOYMENT. The plan of the Commission to install *free* electric water heaters in all Ontario Hydro homes will directly stimulate employment, in addition to benefits to be derived from economy, convenience and increased comfort in the home. Orders have already been placed with factories located in various parts of the Province which have created employment for skilled and unskilled labour and resulted in the purchase of raw materials and the disbursement of wages. There is scarcely a home in Ontario which will not be affected beneficially by this plan of free installation of electric water heaters.

Task will take time

Despite the fact that this plan has been given many months of study and preparation by the engineering staff of the Commission it will take time for the factories of the Province to produce all the equipment called for. Raw materials must be bought—special tools devised—dies cut—machinery installed and even new industries established, before we can be assured of a steady supply of heaters built to our standards and specifications. We have already secured the utmost co-operation from electrical, mechanical and allied trades in the Province. Costs of equipment have been worked to a new low level providing at the same time fair wages to those who have found employment and a fair return to all those engaged in production.

The Hydro Commission has set itself a task of considerable magnitude. There are hundreds of thousands of Hydro homes. Industry and employment are given impetus under the plan. The free installation of electric water heaters eventually pays for itself in power consumed. The plan will cost you nothing. It will give you lasting benefits, the first cost of which has not obligated you for one cent. Every home—every resident—the whole Province will be benefited, stimulated and enriched.

From time to time the Commission will advertise details of progress. We confidently anticipate your interest and co-operation in a plan by which all will profit. Watch for the next announcement by this Commission. Your own Hydro officials will gladly furnish further information.

HON. J. R. COOKE, M.L.A., *Chairman.*
C. ALFRED MAGUIRE, *Commissioner.*
RT. HON. ARTHUR MEIGHEN, P.C., K.C., *Commissioner.*
W. W. POPE, *Secretary.*

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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DECISION ON FRENCH PACT COMING SOON

Wheat and Salmon Chief Stumbling Blocks to Treaty

IN TWO WEEKS

Government Expected to Announce Either Success or Temporary Failure

From Our Own Correspondent

OTTAWA. — Negotiations between France and Canada with respect to a new trade treaty have now reached a point where a definite decision is certain. Within two weeks it is expected the Bennett government will either announce a treaty and proceed with the necessary legislation to ratify it, or the temporary failure of negotiations will be officially admitted.

The situation at Ottawa is so confused that a forecast is difficult. The facts with respect to the present position, however, are fairly clear.

Cahan Negotiates

The leading negotiator for Canada has been Hon. C. H. Cahan, secretary of state, who spent several months in Europe last year and who brought home a comprehensive draft treaty which has been under the scrutiny of departmental experts ever since.

As with the former Franco-Canadian treaty, the new instrument is very wide in its scope and, if adopted, will unquestionably become this country's basis of trade with friendly non-British countries. The proposed treaty not only extended the present intermediate tariff to France, but went a good deal further in giving special trade concessions. The nature of these special concessions has not been divulged, although it may be presumed that they will not work any injury to Canadian textile manufacturers.

Wheat and Salmon

In return, France was asked by Canada to give special advantages to Canadian wheat and canned salmon. Other items of export were borne in mind in the negotiations, but wheat and salmon were the chief articles upon which Canada concentrated.

There was a serious difficulty to be overcome in both cases. In France's effort to bind to her the lesser countries of central and southeastern Europe, the Republic has undertaken to accept a quota of their wheat. In the negotiations it was agreed that France could not revoke this quota commitment, but Canada did obtain concessions which, while not ousting the Danubian producers, did offer every promise of enlarging our wheat market.

Salmon Controversy

With respect to salmon the situation was different. Partly as a result of the tariff war which Canada and France have been carrying on in the past year, France entered into an agreement with Japan giving Japanese salmon a marked advantage over Canadian salmon. This agreement does not expire until September. The Canadian negotiators, it is learned, persuaded France that this agreement should be terminated next September and that, thereafter, the French market should be divided between Canada and Japan on the basis of the imports from both countries during the past four or five years. Such a division would give the Canadian packers a substantial increase in business; would restore our exports to the former level.

These, it is understood, are the highlights of the proposed treaty as it was placed before the experts. The document was not signed or initialled, but the French Government, it is believed, is anxious to obtain Ottawa's decision in order that immediate steps can be taken to ratify it at Paris. Or, in the reverse, the French Government would be free to pursue trade negotiations elsewhere.

Experts Not Pleased

It is learned that the views of the Government experts are rather adverse to the proposed treaty. These experts believe France should curtail her wheat purchase pledges to the Danubian states. They also believe France should cancel the salmon agreement with Japan at once, not five months hence.

It seems very doubtful if France will yield either point. Her wheat commitments are a part of her foreign policy toward Germany and recent events in that country have not caused any abatement of France's desire to bind the Danubian states to her. And with respect to Japan, the French are very loathe to terminate, suddenly, an agreement which has only a few months to run. To do so, they believe, would be discourteous.

The conflict of opinion between the experts and those at Ottawa who are supporting the proposed treaty has resulted in the question being placed before the cabinet. Indeed, it is said that Premier Bennett will make the final decision. Meantime, the French diplomatic officials are pressing for official word to send to their Government.

Stanfield's Earnings Register Gain in 1932

From Our Own Correspondent

MONTREAL. — Stanfield's Ltd. report net profits of $19,864 for 1932, this figure standing after deduction of all operating and administration expenses, including provision for bad debts and income taxes. The preceding year's balance was $18,213, making a total of $38,077 carried forward in the profit and loss account.

At the annual meeting of shareholders Frank T. Stanfield was re-elected president. The slate of officers includes: vice-president, Senator John Stanfield; secretary, A. J. Campbell, K.C.; directors, Charles E. Stanfield, Hon. J. Fred Fraser and H. F. Bethel.

COURT PLACES PRICE BROTHERS IN BANKRUPTCY

Claim Against Newsprint Institute Dismissed With Costs

From Our Own Correspondent

MONTREAL.—Price Bros. & Co. has been officially declared bankrupt by W. Edge, K.C., registrar of bankruptcy, following consideration of the petition filed by Duke-Price Power Co.

Hon. Gordon W. Scott, who was recently appointed guardian, will continue to carry on the affairs of the company, having been authorized by the registrar to secure a loan of $250,000 for that purpose. A meeting of the creditors has been set for April 27.

Price Brothers & Co.'s suit against the Newsprint Institute of Canada for $787,162, which amount was claimed due to the plaintiff under the terms of an agreement entered into November 29, 1928, has been dismissed with costs by Judge A. Stein, in a sealed judgment handed down in the Superior Court.

The suit was dismissed with costs assessed against the plaintiff, excepting the costs of the motions of declinatory exceptions presented by some of the defendant companies, members of the institute, who sought to have the hearing take place outside of this city.

The action was directed against the Abitibi Power and Paper Co. Ltd., and the Anglo Canadian Paper Mills, Limited, and the following companies mise-en-cause: Bathurst Power and Paper Co. Ltd., Beaver Wood Fibre Co. Ltd., J. R. Booth, Ltd., E. B. Eddy Co. Ltd., Fort Francis Pulp and Paper Co. Ltd., Great Lakes Paper Co. Ltd., Kenora Paper Mills, Ltd., Lake St. John Power and Paper Co. Ltd., James McLaren Co. Ltd., St. Lawrence Paper Mills Co. Ltd. and Thunder Bay Paper Co. Ltd.

Basis of Litigation

The agreement which formed basis of the litigation, entered into between the newsprint manufacturers in Eastern Canada with a view to stabilizing prices, was that all tonnage was to have been distributed as far as possible according to rated capacity of the different mills, and that the average net price per ton received by each mill f.o.b. was to have been determined monthly and appropriate adjustments made so that each mill was to have received the same net mill price for its output. Price Brothers claimed that under this agreement members of the institute collectively owed the company $750,466.92 as at December 31, 1930, plus interest of $36,695.75.

In dismissing the case the court holds that Price Brothers, as claimed by defendants, committed a breach of its obligations under the agreement by offering contracts to various consumers, and concluded these contracts in contravention of the terms of the agreement between member companies of the institute.

The judge, however, condemned these defendants who made declinatory exceptions, and who list in arguments on April 24, 1931, to pay the plaintiff's costs of those proceedings.

NAT. BREWERIES' INCOME FOR 1932 WELL MAINTAINED

Increase in Net Working Capital Position is Feature of Report

From Our Own Correspondent

MONTREAL. — National Breweries Ltd., maintained its earning power in 1932 with net income sufficient to cover all charges, while the working capital position of the company underwent a further improvement.

Operating profits, after providing for a decline in the value of investments, amounted to $1,908,615, as against $1,981,629. There was a slight increase in the depreciation reserve. After providing for dividends on the preferred and common stocks on the same basis as in 1931 and 1930, a small surplus was carried forward.

Carried Forward Surplus

Particulars of the income account follow:

	1932	1931	1930
	$	$	$
Profits	1,908,615	1,981,629	2,456,699
Deprec.	543,705	541,928	526,389
Net profit	1,364,910	1,439,701	1,930,310
Pfd. div.	194,250	194,250	194,250
Balance	1,170,660	1,245,451	1,736,060
Com. div.	1,154,195	1,154,195	1,154,195
Surplus	16,465	91,256	581,865
Prev. surplus..	5,311,122	5,219,866	4,638,000
P. & L. bal. ..	5,327,587	5,311,122	5,219,865
On com.	$1.62	$1.73	$2.41

Working Capital	1932	1931	1930
	$	$	$
Curr. assets ..	5,054,464	4,433,837	4,381,875
Curr. liabs. ...	499,237	490,157	569,237
Work. cap. ...	4,555,227	3,943,680	3,812,548

Stronger Balance Sheet

Assets of National Breweries at the end of 1932 were valued at $18,939,230, up from $18,369,980 at the close of the previous year. There is a net increase in the property account of $81,565. Goodwill remains unchanged at $1,500,000.

Call loans have been reduced from $548,000 to $167,665. Offsetting this is the appearance of a new item — $500,000, representing guaranteed investment receipts of funds placed with a trust company. Cash on hand shows an improvement from $319,499 to $763,975.

Accounts receivable are slightly higher at $1,005,054, while inventories have been reduced by more than $200,000 to $1,271,964. Other investments are carried at $1,985,055, a gain of $127,250.

There are no changes of importance among liabilities.

Prospecting Active in Quebec

Mineral prospecting was exceptionally active in Quebec Province during 1932 and nearly ten thousand claims were staked and recorded, according to the report of the Quebec Bureau of Mines. The preliminary statement on mineral production for last year shows the value of output from the province's mines and quarries at $24,373,653.

Beauharnois Protective Committee Recommends Montreal Power's Plan

Official Release of Scheme for Reorganization Follows Along Lines Indicated by The Financial Post

PLAN GIVES BONDHOLDERS CONTROL

Necessary for Present Collateral Trust Bondholders to Take Up $13,500,000 of New First Mortgages to Secure Majority Share of Stock — Montreal Power Underwrites Issue

From Our Own Correspondent

MONTREAL.—Following upon the exclusive publication in The Financial Post last week of the "Toronto" plan for the reorganization of the Beauharnois Light, Heat & Power Company, the Bondholders' Protective Committee have issued official details of the "Montreal Power" plan and urge bondholders to accept it. Details of this plan are along the lines announced in The Financial Post several weeks ago.

In its report to the bondholders, the committee says that it was confronted with three problems. Their first concern was to provide sufficient temporary funds to bring the plant into completion. The next step was to effect a plan of permanent financing in order to complete the project and, thirdly, to accomplish the "two foregoing on a basis as favorable to the present holders of collateral trust bonds as possible."

Factors to Consider

The first problem was overcome on December 13, 1932. In considering a plan for permanent financing, the committee found it necessary to consider and harmonize relations involving the Dominion Government, the Quebec Government and the bankers of Beauharnois Light, Heat and Power Co., and at the same time keeping the bondholders' interests in view.

Believes Plan Fair

In submitting the Montreal Light, Heat and Power Consold.'s plan for the reorganization of Beauharnois, the committee recommends it for acceptance as being fair to the parties involved.

This scheme of reorganization provides:

(1) Necessary capital to carry the project through to completion;

(2) A reasonable rate of interest for the new capital;

(3) Opportunity for the collateral trust bondholders to control the enterprise by taking up the new capital required to complete the development;

(4) A firm underwriting by responsible parties (Montreal Power) on terms which the committee considers as fair under present conditions.

Sees Certain Advantages

As far as the collateral trust bondholders of Beauharnois Power Corp. are concerned, the committee sees the following advantages under the scheme of reorganization:

At present the bonds are secured against all the common stock of Beauharnois Light, Heat and Power Co. and other subsidiaries and the indebtedness of the latter company to the corporation. Under the new plan the security would be changed to second mortgage bonds of Beauharnois Light, Heat and Power Co. secured on the same assets subjected to the first charge of the new first mortgage bonds to be issued by that company.

In the opinion of the committee the necessity of the company applying earnings to its new first mortgage bonds and construction requirements makes it impossible to pay interest on the collateral trust bonds until April 1, 1938.

Compensation for Holders

As compensation the collateral trust bondholders will receive:

(a) An increase of 20 per cent in the principal amount of collateral trust bonds;

(b) Cash interest at 5 per cent accruing from October 1, 1937, in Canadian funds, thus providing the same income as the original issue;

(c) An increase in the ownership in the equity of the company from 8.3 per cent to 21.6 per cent without further subscription. This becomes 53 per cent if the opportunity to subscribe to the new first mortgage bonds is fully availed of.

How it Works Out

A concrete instance is given of the position of a holder of $1,000 6 per cent collateral trust bonds who has retained his original 5 shares of present common stock. It follows:

(a) If he does not subscribe for new first mortgage bonds he will receive $1,200 new 5 per cent collateral trust bonds payable in Canadian funds, interest to accrue from October 1, 1937; first payment to be made April 1, 1938; and 5½ shares new common stock.

(b) If he subscribes he will pay $427.50 and receive $1,200 new 5 per cent collateral trust bonds, $450 first mortgage 5½% bonds, 13½ shares new common stock.

Up to Bondholders

In the concluding part of its letter to the collateral trust bondholders, the committee states that no act of the committee has had the effect of binding the collateral trust bondholders "and the plan submitted must stand or fall on the vote of the collateral trust bondholders themselves at a meeting called under the provisions of the trust deed for the purpose of considering the plan proposed."

Beauharnois Plan Detailed

PRESENT CAPITAL STRUCTURE
Beauharnois Power Corporation Limited

	Authorized	Outstanding
Thirty-year 6% collateral trust sinking fund bonds	$30,000,000	$30,000,000

Attached to the collateral trust bonds are the following:

(a) Stock purchase warrants conferring the right to purchase Class "B" non-voting shares at $35.00 per share, and

(b) Stock bonus delivery warrants (except in cases where such warrants have been already exercised) conferring the right to receive from the depositary, Class "A" shares.

	Shares Authorized	Shares Outstanding	
Management preferred shares	5	5	
Class "A" shares	1,799,995	1,799,995	
Less to be cancelled		80,000	
			1,719,995
Class "B" shares	3,200,000	None	

Beauharnois Light, Heat and Power Company

	Authorized	Outstanding
Ten-year first mortgage bonds	$40,000,000	$40,000,000

(These bonds have been issued for the purposes of collateral security only.)

Capital stock—	Authorized	Outstanding
40,000 shares, par value $100.00 each	$4,000,000	$4,000,000

PROPOSED NEW CAPITAL STRUCTURE
Beauharnois Power Corporation

	Authorized	Issued
5 per cent collateral trust bonds, due 1973	$36,000,000	$36,000,000
Common stock, n.p.v. (shares)	762,000	762,000

Beauharnois Light, Heat and Power Co.

5½ per cent first mortgage bonds, due 1973	$75,000,000	*$40,000,000
5 per cent second mortgage bonds, due 1973	36,000,000	†36,000,000
Common stock, par value $100	4,000,000	†4,000,000

*$1,000,000 held in the treasury.

†All owned by Beauharnois Power Corp.

PROPOSED REORGANIZATION OF CAPITAL STRUCTURE
Beauharnois Power Corp.

The amount of bonds authorized to be issued under the trust deed securing the collateral trust bonds will be increased to $36,000,000, and the provisions of the trust deed and of the collateral trust bonds will be amended so that:

The bonds will mature April 1, 1973, instead of Oct. 1, 1959;

The bonds will bear interest at the rate of 5 per cent instead of 6 per cent per annum, payable half-yearly, such interest to accrue only from Oct. 1, 1937, the first half-yearly interest payment to be made April 1, 1938, and all interest due on April 1, 1932, and subsequent thereto up to and including Oct. 1, 1937, to be cancelled;

Payments of principal, premium (if any) and interest will be made only in lawful money of the Dominion of Canada;

In lieu of the present sinking fund there will be established an annual sinking fund of 1 per cent of the principal amount of the collateral trust bonds issued, the first payment to be made Oct. 1, 1942.

Distribution of Bonds

The bonds will be distributed pro rata among the holders of the present collateral trust bonds on the basis of $120 in principal amount of bonds in the new form in exchange for each $100 in principal amount of the present collateral trust bonds.

Capital Stock Changes

The capital stock structure of the Beauharnois Corporation will be reorganized as follows:

The 5 management preferred shares will be converted into class "A" shares and there will thereupon be 1,800,000 class "A" shares;

Of this 1,800,000 class "A" shares, 80,000 shares are to be cancelled;

The whole of the authorized class "B" shares, namely: 3,200,000 will be cancelled;

The remaining class "A" shares, namely: 1,720,000 shares, will be converted into 172,000 common shares without nominal or par value on the basis of one new common share in place of ten class "A" common shares;

The resulting authorized capital stock of the company will be increased from 172,000 shares to 762,000 shares without nominal or par value by the creation of 590,000 additional shares.

Distribution of Stock

Capital stock of the Beauharnois Power Corp. will be distributed as follows:

1,720,000 class "A" shares of the Beauharnois Corp. will be converted into 172,000 shares, each holder thereof receiving one tenth of the number of class "A" shares previously held by him.

150,000 of the new common shares will be distributed rateably among the holders of the present collateral trust bonds on the basis of five shares for each $1,000 principal amount of the present collateral trust bonds.

440,000 common shares without par value will be issued to those holders of the present collateral trust bonds who subscribe for new first mortgage bonds and to the underwriters hereinafter mentioned, according to the terms of the offering and underwriting hereinafter mentioned.

Beauharnois Light, Heat and Power

The new first mortgage bonds of the operating company will be issuable in two or more series. The first series will be for a principal amount of $40,000,000 dated Jan. 1, 1933, bearing interest at 5½ per cent per annum payable half-yearly, and will mature Jan. 1, 1973. Principal and interest and premium (if any) will be payable in lawful money of Canada only. The first series will have an annual sinking fund of an amount equal to 1 per cent of the greatest principal amount of bonds of this series issued, the first payment on account of sinking fund to be made Oct. 1, 1942. The bonds of the first series will be redeemable prior to maturity at 102½ per cent of their principal amount during the first five-year period after date thereof and thereafter for a five-year period at one-half per cent of the face value less per annum for each elapsed year or fraction thereof and thereafter at the face value thereof, and in all cases with accrued interest to the date of redemption.

Create Second Mortgages

The company will create an issue of $36,000,000 in principal amount of second mortgage bonds to be secured by a second fixed and specific charge upon the same assets as are from time to time subjected to the first charge of the new first mortgage bonds, and by a second floating charge upon the undertaking and all other assets of the Beauharnois Company, and to remain subordinate to any bonds in whatever amount whether more or less than $75,000,000 which may be issued to refund or replace the new first mortgage bonds.

First Mortgage Distribution

The first series of the new first mortgage bonds of principal amount of $40,000,000 will be disposed of as follows:

(a) To satisfy advances made to the Beauharnois Company presently secured by its ten-year first mortgage bonds	$24,148,000
(b) To the Government of Quebec in lieu of certain rentals payable by the Beauharnois Company, and/or of ten-year first mortgage bonds presently held as security	1,352,000
(c) To be offered to the holders of the present collateral trust bonds	13,500,000
(d) To be held in the treasury of the company for contingencies and general corporate purposes	1,000,000
	$40,000,000

Stock is Unchanged

No change will be made in the capital stock structure of the Beauharnois Company and the whole of its capital stock will remain subject to the specific charge securing the collateral trust bonds of the Beauharnois Corporation.

Offering to be Made

The holders of the present collateral trust bonds of the Beauharnois Corp. will be given the right exercisable on or before June 30, 1933, to subscribe for and purchase $13,500,000 of the new first mortgage bonds of the operating company at $95 per each $100 in principal amount and accrued interest, on the basis that each holder of $1,000 of the present collateral trust bonds will be entitled to purchase $450 of the new first mortgage bonds, receiving as a bonus eight common shares in the capital stock of the Beauharnois Corporation as reconstructed.

Montreal Power Underwrites

In order to ensure the receipt by the Beauharnois Company of the moneys which (in addition to the surplus earnings during construction) will be necessary to complete the installation of 500,000 horsepower and to fulfill its obligations to the Governments of the Dominion and the Province of Quebec, arrangements have been made with Montreal Light, Heat and Power Consolid. to underwrite the $13,500,000 of new first mortgage bonds at $92.45 per $100 in principal amount of bonds and accrued interest. The bonds underwritten will carry the same number of no par value common shares of the Beauharnois Corp. as will be offered to the holders of the present collateral trust bonds, namely, eight common shares without par value of the Beauharnois Corporation in respect of each $450 in principal amount of the first mortgage bonds of the Beauharnois Company.

The purchase price for such of the new first mortgage bonds as are taken up by the underwriter pursuant to its underwriting agreement is to be payable concurrently with the payments by the holders of the present collateral trust bonds who subscribe for new first mortgage bonds but it has been arranged with the underwriter that the Beauharnois Company may, in order to save interest charges, require that the purchase-price be paid in such amounts from time to time, on demand of the Beauharnois Company, as will provide the funds necessary for carrying on the construction and development of the company's hydro-electric project.

In consideration of such underwriting the underwriter will receive its underwriting commission of $2.55 per $100 of new first mortgage bonds taken up by the holders of the present collateral trust bonds and 200,000 common shares without par value of the Beauharnois Corporation.

Appropriate provisions will be made for the issue of fractional share certificates and fractional bond certificates where necessary.

Cash Receipts Prairie Farmer Down in February

Cash receipts of prairie farmers from agricultural produce in February were considerably less than in the same month of 1932, receipts from wheat being only $2,676,342 compared with $4,748,453, other grains $668,387 compared with $1,564,248 and butterfat $361,107 against $460,880, according to a monthly compilation made by the W. Sanford Evans Statistical Service, Winnipeg.

Complete figures for January show that income during that month amounted to $5,218,892 compared with $8,030,256 in January, 1932. All the individual items are down from the previous year, the average decline being about 25 per cent. Income for the year to date, however, is only slightly less than in the same period of the 1932 crop year due the good lead obtained in the early months when larger quantities of wheat were moved. Income for the period to Jan. 31 totals $106,004,525 compared with $113,217,420 a year ago.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

* * * *

ONE HUNDRED YEARS AGO

"The period of distress which followed the war perplexed the populace, who could not understand its causes, and it was succeeded by many similar periods during the next thirty years. Various causes contributed to the depression; foremost among them, the enormous war expenditure which had drained the country and produced a system of taxation pressing upon almost every item of household expenditure; the restraints upon commerce checked the manufacturing industries, imposed high duties on materials, and excluded the corn which would have at the same time fed the people and stimulated trade; the several series of bad harvests following 1822 and some periods of speculation, which were followed by commercial crises in 1825 and 1839 which further disordered trade. The poorer classes suffered great hardships from want of employment and low wages."

—From "Free Trade Movement," by F. Armitage Smith, published in 1908.

* * * *

ICELAND MEETS A DEPRESSION

"The hereinafter written decisions were given by the Logrietta June 30th in the Common Parliament and assented to by the Lawmen and commons.

"Ordered by the Lawmen and Logrietta in Parliament assembled that the abandoned farms which now are to be found throughout the country and which are not producing revenue shall be reduced by one third for taxation purposes and that the owners of these abandoned farms shall be compelled to sell such farms at a price to be determined by six intelligent men to indigents that are decreed to be their charges by reason of relationship rather than let their families become charges on impoverized municipalities, or die in poverty. If sale is not consummated the owner shall be relieved of responsibility for the indigent. Farms rented at statutory rates shall be taxed according to ancient custom and farms rented at half the statutory rates shall pay taxes on half the farm and the other half which yields the owner no revenue shall be reduced one third as above stated. Established farmers shall furnish, when directed by the sheriff, food, shelter and transportation to indigent families en route to abandoned farms."

—From "Acta Comitiorium Generalium Islandiae." The Act was passed in 1604.

* * * *

The first extract was supplied by Phil. J. Le Masurier, Royal Bank of Canada, Herschel, Sask., and the Iceland Act by H. G. L. Strange, Searle Grain Co., Winnipeg.

Empire Trade Agreements Having Beneficial Effects

Data Collected from Manufacturers by Industrial Canada Carry Optimistic Note — Foreign Exchange Deterrent to Full Benefits

Strong hopes for the future and some measure of achievement in furthering Empire trade, through the Ottawa conference agreements, are expressed by members of the Canadian Manufacturers' Association in a survey of the results of the conference agreements by Industrial Canada. The replies of Canadian manufacturers indicate that considerable business has already been switched into Empire channels because of the agreements. Exchange rates appear to work considerable disadvantage to Canadian exporters under the Empire agreements.

Enquiries from prospective Empire buyers are reported by a substantial proportion of the manufacturers reporting to Industrial Canada. Some manufacturers, who would ordinarily have received material advantages from the Ottawa preferences, have apparently failed to get business because of adverse foreign exchange. Others expect indirect advantages through a general benefit to business or to the trade of their customers. It is generally conceded that it will take time to get increased Empire trade under way, especially since it means making new contacts in many cases.

Selective Markets

Markets for Canadian manufactured goods appear to be more promising in other parts of the Empire than the United Kingdom. The mother country, however, is evidently the best Empire market to approach with foodstuffs and raw materials. Canadian manufacturers appear to have switched substantial purchases of materials to Empire sources from other countries. The favorable exchange situation is an important factor in this. It is particularly noticeable in purchases of iron and steel formerly bought in the U. S. A. Some manufacturers indicate that lowering of some Canadian tariffs on Empire goods have made competition stiffer here, but that in return our primary products have a better chance in the United Kingdom.

The C. M. A. has been receiving numerous requests from members for information on Empire markets. This is thought to indicate possible development of Empire trade on a larger scale when conditions are more nearly normal than at present. A number of the firms which answered the Industrial Canada circular have been appointing or approaching agents in Empire countries to handle their goods.

Post Makes Analysis

The following survey of the published replies to the circular has been made by The Financial Post.

It is drawn up, so that some general conclusions may be drawn as to how the Ottawa agreements affect various Canadian industries, as follows:

Iron and Steel—Manufacturers using these materials have been switching purchases from the United States, Germany and Belgium to the United Kingdom, partly as a result of conference agreements and partly because of favaroble exchange rate. Canadian steel firms find competition more severe. A Canadian manufacturer of freight cars is using British steel plates, and also expects to benefit from increased use of Canadian railway cars to observe the Empire port ruling on transportation routes.

Chemicals—Users of chemical products of many kinds are seeking their supplies in the United Kingdom rather than in the United States and leswhere. One soap firm expects to divert purchases of 1,500,000 lbs. of silicate of soda to Britain in 1933. Chemical firms appear to expect better chance of business both to and from Empire countries. Dyestuffs are being bought in Great Britain in larger proportion. United States chemical plants have established in Canada to get inside preference wall. Paint firms have bought supplies in Britain.

Automobiles and Parts — Larger orders from Australia and New Zealand are reported by Canadian automobile firms. One Canadian firm is now handling export business from Canada which formerly went from the United States. Manufacturers supplying automobile parts expect benefits from increased Empire business of their customers. A British manufacturer of cars is to enter Canadian field with plant.

Canning—A canner of fruits and vegetables reports actually increased sales to the United Kingdom. Purchases of tin plate for canning purposes is being largely diverted to Wales from the United States by many Canadian industrial consumers. Exchange situation is reported to be impeding larger sales of packed fish to Great Britain. Greater interest from brokers and wholesalers in United Kingdom reported. Canned lobster reported to have benefitted.

Packers Optimistic

Pork Packing—Due to conditions in the United Kingdom market, including oversupply and excessive shipments in 1932, substantial benefits have not been felt yet. Increased sales are expected. Imposition of quota system in United Kingdom believed beneficial to Canadian packers. Manufacturer of animal products has made substantial purchases of goods in United Kingdom, and has deal pending for considerable sales in Britain.

Butter and Dairy Products — Exchange situation reported a handicap, but at present little butter available for export. One firm reports that Great Britain is furnishing an outlet for considerable additional quantities of milk powder.

Electrical Manufacturers — Certain types of materials, formerly imported from the United States, are being bought in Empire where available. Enquiries are being received from prospective Empire buyers, who are seeking other sources than United States for supplies since agreements and United States exchange have changed situation. Some orders have already been received for these reasons.

Finished Wood Products—Manufacturers of doors, sashes, veneers, etc., have received some business from Empire as result of agreements. Some are negotiating for business. Hardwood flooring sold in increased quantities to South Africa. Freight and exchange rates reported to work against increased Empire sales. One door manufacturer reports he is using British glass instead of Belgian and is recapturing West Indies business from United States firms. Information needed on requirements of various markets. Increased sales of barrels to pack Empire-marketed foodstuffs reported.

Turned Wood Products—Enquiries received from Empire buyers. Adverse

(Continued on page 15)

POWER SALES OF 40,000 H.P. HYDRO'S HOPE

May Get Extra Sale of That Amount By Water Heaters

CONSUMER COST LOW

Harmful to Gas Companies; Nine Ontario Manufacturers Benefitted By Orders

It is estimated that 50,000 flat rate, electric water heaters may be installed, and 40,000 h.p. of the surplus power of the Niagara system of the Ontario Hydro put to work, in the present hydro campaign to install such domestic heaters.

The cost to the consumer of obtaining a constant supply of hot water by use of these electric heaters is said to be lower under the new flat rates than any other system of supply. But it may be higher than the cost of heating water intermittently, as now done by many users of gas and electric heaters. The monthly cost to consumers for small installations will be less than two dollars.

The effect of the hydro heater campaign may not be beneficial to gas companies, such as The Consumers' Gas Co. of Toronto, Union Gas Co. of Canada, United Fuel Investments and subsidiaries, and Ottawa Light, Heat & Power Co. through its subsidiary, the Ottawa Gas Co. At the outset, there may be a considerable number of gas heaters removed in order to substitute the hydro flat rate heaters.

Nine Manufacturers Benefit

At least nine Ontario manufacturers are handling the new business resulting from the heater installation campaign. Retailers and wholesalers are somewhat disgruntled that they are not going to be able to sell heaters while the hydro is installing them free. Ownership of the heaters will be vested in the hydro, the consumer only getting free use.

Installations are now being made as quickly as possible in hydro areas outside Toronto. The basis of the monthly flat rate to be charged for heaters is that the hydro's cost of delivering power to the user is to be covered.

The installation of such heaters is not new. Many of them are in use already. But only about 12,000 were sold in Canada in 1932, it is understood. The hydro hopes to install several times as many in a few months supplying them free to applicants. The aim of the hydro is to sell surplus power, chiefly in the Niagara system serving Western Ontario.

Other power organizations have been working similar schemes to sell their surplus power. Heater installation schemes are being tried by B. C. Power, Shawinigan Water and Power and by Southern Canada Power. Private power companies are not expected to be effected by the new hydro policy.

Competing With Gas

As far as gas companies are concerned, the flat rate heater plan may be considered straight hydro competition. The electric heaters work on a slow recovery of heat. Once the whole supply is used, it takes considerable time to replace it unless a booster is employed. Gas companies furnish a quick hot water service on intermittent use of gas heaters. The electric heaters rely on building up and retaining a supply of hot water, from which it is expected that portions will be used, but that slow replacement of heat will offset small but sudden demands for hot water. The storage of heat principle used in the electric heaters accounts for the trouble which the hydro is taking to insulate tanks and cover them with outer galvanized shells.

Based on Fixed Charge

A flat rate heater is one on which a fixed monthly charge is made, no matter how much water it heats in the period. Booster heaters, to furnish peak supplies of hot water, where the flat-rate wattage does not meet the maximum demands for hot water, are charged to consumers on their electric meters at ordinary hydro rates.

Flat rate heaters are to be by advertising and by personal canvass through local hydro representatives. The preliminary advertising has already brought thousands of applications for the heaters. Canvassing of houses, following up the advertising, is understood to have produced numerous applications for installations.

The estimate of the probable heater sales is based on the number of hydro customers in Ontario. They number about 500,000. If ten per cent were to take heaters, 50,000 would be installed. This is estimated to call for a new constant load of about 40,000 h.p., mostly in the Niagara system in which territory most of the heaters are expected to be sold. There is no power surplus in northern areas of Ontario, and very little in the eastern counties. But the Niagara system is estimated to have a surplus of 300,000 h.p. at present with an additional 330,000 h.p. to be delivered to it within the next four years.

Firms Benefitted

The equipment firms which will benefit from hydro orders include: Canadian General Electric Co., Toronto; Westinghouse Electric Co., Hamilton; Moffatts Ltd. and Triad Electric Co., Weston; Renfrew Electric Co., Renfrew; C. E. Backer Co., Ottawa, and Knight Rebound Controller Co., Hamilton. Among the firms which will supply tanks and insulating materials are General Steel Wares and the Metallic Roofing Co. of Canada, a subsidiary of Western Steel Products and Corporate Steel Products.

Installation of the new flat rate heaters is expected by the hydro

(Continued on page 15)

Insurance for Buyer and Seller

DRIVERS GAIN BY NEW MOVE IN RATE WAR

Car Drivers Benefit as Auto Insurance Companies Battle

CONTROL MOOTED

Many Companies Believe Provincial Rate Bureau Necessary if Present Situation Persists

Further extension by tariff companies in Ontario of the "merit rating" system for careful auto drivers; and sweeping cuts in fire, theft and collision rates in the province were announced this week as the latest volley in the automobile insurance rate war which has been playing havoc with underwriting in the central provinces and has been netting big dividends to auto drivers in Ontario and Quebec.

Chief changes announced by the C. A. U. A. call fofr a 15 per cent cut in fire and theft rates; a 10 per cent cut on $25 deductible collision coverage; a 20 per cent cut on $50 deductible collision; a 30 per cent cut on $100 deductible collision. No change is made in full collision coverage or in certain classes of collision cover in Northern Ontario. The "no claims bonus" of 10 per cent allowed since last December has been extended to a full "merit rating" plan allowing a 10 per cent discount to car owners who have operated for the past year without claims; 15 per cent discount to car owners who have operated for two years without claims; 20 per cent discount to car owners who have operated for three or more years without claims.

Non-Tariff to Blame

Behind the changes is the fact that non-tariff companies have been stealing a larger and larger volume of business from regular line companies. This was reflected last week when R. Leighton Foster, superintendent of insurance for Ontario announced withdrawal of the Ontario law which requires all companies to file rate schedules with the department and to give ten days written notice of any change in rates. Inability to maintain this statute effectively without further power to control rate cutting and discrimination is the reason behind the move.

Superintendent Foster's attitude for some time has been that either the Ontario department should have all or no control over rates in this field. The most important sections of the act namely those giving the superintendent power to control rate discrimination, were withdrawn in April, 1931. The rate-filing statute was left on the books at the request of the companies who felt it would be of some assistance in preventing rate-cutting abuses.

Future Uncertain

What will happen now is a matter for wide conjecture. Three weeks ago, The Financial Post was informed, the tariff association declined to meet the demands of dissatisfied members for more rate concessions, but in the meantime pressure became so great that this week's meeting yielded ground and for the time being harmony is once more restored within the tariff membership. Whether further concessions will be forced in Quebec is uncertain but further reductions there seems highly probable. Much will probably depend on what non-tariff firms do to meet the latest rate cut of the association.

One feature of the situation is that an increasing number of company executives have expressed the opinion to The Financial Post that they are reluctantly coming to the view that about the only thing left if they are to operate profitably is to turn control of rates in Ontario entirely over to the superintendent of insurance.

To this R. Leighton Foster replies that he has no desire to control rates, nor will he consider the matter unless rates either become excessive or unless there is almost unanimous opinion among companies, brokers and agents, in favor of provincial rate control. Admittedly many companies are making little or no profit at present rates and many are of the opinion that this situation will be accentuated when an upturn in business, increases "exposure" — that is the number of cars on the road and the mileage driven by each car. If non-tariff firms force further cuts the situation may become so unhealthy that companies will be forced to turn to the provincial superintendent for aid.

Opinion differs as to whether the new rate schedule is adequate or not. Provincial experts maintain that the former Ontario rates which allowed a 10 per cent "no claims bonus" were almost 8 per cent too low in the light of actual experience. Tariff officials on the other hand claim that even the new low rates are justified by current experience.

FIDELITY OF CANADA ADDS TO SURPLUS

Gross premium income of $234,482 in 1932 is reported in the 11th annual report of Fidelity Insurance Co. of Canada. This compares with $287,642 in 1931. After reinsurance, net premiums written were $182,507, a decline of 19 per cent. Losses and expenses were considerably reduced, however, giving a net debit balance from underwriting for the year of $31,000 against $41,400 in 1931.

After adding interest on investments and deducting decrease in unearned premium reserve the company showed a net profit for the year of $9,935 as compared with $9,283 in 1931. This former sum was added to surplus which now stands at $51,526 as compared with $41,491 at the end of the previous year. This surplus is over and above capital stock paid-up of $250,000.

Head of Fidelity Insurance Co. of Canada is Col. A. E. Kirkpatrick. Col. Kirkpatrick is also general manager for Canada of the U. S. Fidelity & Guaranty Co. which at the end of 1932 reported reserves in Canada for claims and other contingencies amounting to $613,889 and a deposit in approved securities with the government of Canada for the protection of Canadian policyholders of $1,115,000.

Figures covering the underwriting experience of this group of companies in Canada in 1932 were published in last week's The Financial Post.

Here's a Splendid Story That's Well Worth Hearing

Four citizens.

You know them very well.

One is a business man who has been fortunate in his financial affairs and has $10,000 to keep invested. (It was $50,000 four years ago.) It will be that much and more in a few more years.

Another is a salaried man who is saving a few hundred dollars a year and has his wife and family to look after.

The third is a business woman earning a comfortable salary, but very concerned to save sufficient money each year so she may retire in another ten or fifteen years.

Lastly, there is that financial or professional friend of yours who loaded himself with stocks and bonds and a big house and insurance policies a few years ago. For some time now he has been wondering how in the world he is going to keep on paying for everything. That is, everything he has left.

They are typical of thousands of Canadians who are puzzled about their financial future. They have seen so many so-called gilt-edged investments fade into financial oblivion and they are frankly worried—as you and I are—about what to do for the best.

Eighty Year Record Here

Next week a group of men who have an amazing record of success in dealing with the problems of our four citizens, are telling their story across the continent. They will use the radio, the luncheon club, the pulpit, the newspaper and they will also make thousands of personal calls in every town and hamlet in Canada and the United States.

They are well worth listening to, as in Canada, for instance, they have an unblemished financial record extending over the past eighty years or more. In that time their plan has never failed to meet its obligations at 100 cents on the dollar. An amazing record when one stops to think what has happened to disturb financial institutions since 1913 or even in the past three years, and when one realizes that at the present time this group held in trust for their clients something over $2,100,000,000 of funds. In 1932 alone they paid out in Canada to their clients in principal and interest (all at 100 cents on the dollar) over $185,000,000. The bulk of this money was the only ready cash those who received it, could get anywhere.

The group of men represent, of course, the institution of life insurance. They are traditionally very enthusiastic about what they have to sell. They have more reason to be than ever this year. Also the men who are prepared to tell this story were never so well-equipped to do it as they were today. Between April 17 and 22 they are co-operating in a unique way to assure you that you can "Face the Future Unafraid" and that you can achieve "Financial Independence" through life insurance (to use their own apt phraseology).

Whether you have saved money or whether you are now saving money you wish to invest. Whether your problem is one of a few hundred dollars or many thousands of dollars, the life insurance story is a good one and well-worth hearing. Listen to it next week.

Canadian Manager

S. C. TWEED, M.P.P.

Appointed general manager for Canada of the Occidental Life Insurance Co., of Los Angeles. Canadian headquarters of the company have been established at Waterloo.

GLOBE & RUTGERS AND ASSOCIATES ARE REINSURED

Pearl Assurance Company Gets Stuyvesant Reinsurance

Latest development in the Globe & Rutgers situation is the announcement this week that the entire business of Stuyvesant Insurance Co. (G. & R associate) has been reinsured in Canada and in the United States with the Pearl Assurance Co. Business of the Stuyvesant in Canada is handled independently by Shaw & Begg. What change in management in Canada will result therefore is still in doubt.

Subject to the approval of the State of New York, the Federal Department of Insurance announced last week that the offer of the Liverpool & London Globe, of which Lewis Laing is manager for Canada, for the reinsurance of the Canadian business of the Globe and Rutgers Insurance Co., had been accepted.

The Financial Post understands also that the Canadian business of the Insurance Co. of Pennsylvania, included in the Globe and Rutgers group in this country, and of the Stuyvesant Insurance Co., affiliated with Globe and Rutgers in United States and manager in this country by Shaw and Begg, will be reinsured with American Insurance Co. of Newark, N.J.

To American Insurance Co., of Newark, goes reinsurance business of Insurance Co. of Pennsylvania in Canada that is not reinsured with Globe & Rutgers, The Financial Post learns. Insurance Co. of Penn., one of the oldest firms operating in Canada will continue to do business here under its own name.

IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1905

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE — WATERLOO, ONTARIO
The World's Safest Investment is Life Insurance
Consult a Dominion Life Representative
The Dominion News
The Dominion News

THE WESTERN EMPIRE
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701 Somerset Building
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Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

THE ONTARIO EQUITABLE
PROTECTION
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO
The satisfaction policyholders have in their contracts with this Company offers the basis of opportunity for its representatives. Assets exceed $8,200,000.

Charles Devlin Heads Efforts For Life Week

Silver-haired Charles D. Devlin, general superintendent of agencies for the Confederation Life Association is heading up the Canada-wide life insurance campaign which will be inaugurated for the first time as a weekly co-operative undertaking by life insurance companies operating in the Dominion.

The campaign will last from April 17 to 22. It will be taken up by over a hundred speakers at luncheon clubs throughout 40 towns and cities. It will go on the Canadian air across 20 different networks originating in all parts of Canada and the United States. It will get "space" in thousands of columns of editorial reading matter in newspapers and periodicals. It will be boosted by institutional advertising in papers reaching over 3,280,000 Canadians and by means of 300,000 posters, blotters, fillers, stickers, bulletinheads and so forth. The frontal attack will be undertaken of course by the thousands of company representatives and underwriters who will be especially on their toes in every town and hamlet throughout the country.

C. D. DEVLIN

Official slogans will be "Face the Future Unafraid" and "Financial Independence Through Life Insurance." Officially no emphasis will be laid on the selling of new business but all efforts will be concentrated on educational and conservation work. Individual salesmen will doubtless look after getting your name on the dotted line.

The campaign is a tribute to the co-operative way in which insurance men work in this country. It is also a tribute to Canadian initiative for the new idea of a life insurance "week" at this time of year replaces the life insurance day celebrated in January in three former years. Canadians felt a single day was of little value and also they urged that January was a bad season of the year due to the rigors of Canadian winter. These arguments crystallized by the Life Insurance Advertisers' Association of Toronto, plus the selling ability of Mr. Devlin, who this year heads the huge international Association of Life Agency Officers, served to convince the United States companies that Canada was right. The result is life insurance week.

Secretary of the committee is ex-newspaperman William Wallace of Confederation Life while A. L. Cawthorn-Page of Metropolitan Life is in charge of radio hook-ups. Luncheon speakers throughout Canada are being looked after by George Hunt of the Imperial Life, while conservation efforts are particularly in charge of F. W. White, conservation expert of Canada Life.

INSURANCE MEN MUCH RELIEVED; BILL 43 DROPPED

Quebec Sought to Tax Residue of Third Party Insurance

From Our Own Correspondent

MONTREAL. — Amendments to the Quebec Succession Duties Act, contained in the much discussed Bill 43, have been dropped. Introduction of the bill caused a furore and underwriters and business men alike hastened to Quebec to protest against its introduction.

Life insurance men objected on the grounds that the amendment would affect their business seriously. Bill 43 sought to bracket, for succession duty purposes, the residue of a third party policy with the proceeds of the personal estate thereby rendering the estate subject to a higher rate of duty. By third party or commercial protective insurance is meant policies taken out by companies on important executives and payable to the companies. It is estimated that there are millions of dollars so placed in the province.

It was argued that executives would fight shy of having such policies placed on their lives if, at their death, their estates would be increased by that amount for succession duty purposes.

Possible Case Cited

Officers of the Quebec division of the C. M. A. waited on Premier Taschereau. In their protest against the bill they cited a case where the amendment in their estimation would have been unfair:

'It is well within the range of possibility that the personal estate of an individual may amount to $10,000 whereas the residue from a protective insurance policy carried by the employer amounts to $200,000. If these are bracketed under the application of the Quebec Succession Duties Act, it will be seen by reference to Section 3 of the Act that the percentage applying will be increased to a point which will seriously deplete the personal estate of the deceased which, in most cases, is insufficient to comfortably take care of his immediate dependents. In the case cited, there would have been no succession duties applying on the $10,000 personal estate, but when bracketed with the $200,000 representing the residue from the type of insurance policy under discussion, the tax applied would amount to 12½ per cent."

RATE JUMP SEEN AHEAD FOR NON-PAR

(Continued from page 1)

vey to the meeting a short survey of the present situation in regard to non-par rates in Canada in his capacity as chairman of a committee appointed by the actuaries a short time ago to study this very important question. His views were presented from a purely personal rather than a company viewpoint. He urged even further increases if the companies wish to make any profit on this class of business.

Sees Lower Interest Rates

Anticipation of lower interest earnings in the future was one of the most important considerations in this matter, submitted Mr. File. In preparing what he considered minimum rates the interest rate assumed was 4½ per cent. "It is very doubtful" he says. "Whether it will be possible to realize a net rate of 4½ per cent for some time to come when proper allowance is made for the rate of interest that may be obtainable on new investments and for the possibility of depreciation in capital values. It would seem that when all factors are taken into account, a rate as high as 4½ per cent could not be justified."

After drawing up first a "minimum" rate schedule and also a further schedule making certain adjustments in line with what might be considered a more reasonable allowance for variations in different factors, Mr. File then submitted a recommended basis of gross premiums. These schedules follow together with the comparative rates recently announced of the "Hartford" companies. Sun of Canada new rates in the United States are understood to be about identical with the Hartford rates.

Gross Premium Rates for Non-Participating Insurance

Ordinary Life Age	Minimum Rate	Recommended Rate	Hartford Rate
15	$10.44	$12.58	$11.70
25	13.52	16.09	14.72
35	18.84	21.92	20.06
45	28.47	32.34	29.85
55	45.85	50.60	46.17
65	77.62	84.76	....
20-Pay Life			
15	16.07	19.46	18.70
25	19.92	24.14	22.14
35	25.88	29.98	27,82
45	35.48	40.06	37.16
55	51.34	56.50	52.35
20-Year Endowment			
15	39.57	42.28	40.59
25	39.95	42.75	40.97
35	41.11	44.01	42.09
45	45.02	48.56	45.98
55	55.46	60.44	56.02

The basis upon which the minimum rates were computed was set forth as follows:

Basis of Calculation

Mortality: 70% of American men Select at Ages 15 to 25, increasing by ½% per year of age to 100% at age 85 and level 100% thereafter.

Interest: 4½% per annum.

Expenses: New business: ordinary life, $4; other plans, $5; general (new and renewal): ordinary life, $2.75; other plans, $3.50 on paid-ups; life 20 payments after 20 years, $1.

Expense on Claims: $2.50.

Premium Taxes: 2½%.

Commissions: 1st year:

	Per Cent
Ordinary life,	51
Life 20 payments	46
Endowment 20 years	41
Endowment 30 years	46
Endowment 40 years	46
Endowment 50 years	46

2nd to 10th years—6% on all plans.

Rates Should Be Adequate

"In considering non-par premium rates the basic principle may be laid down that the rates charged by a company should be adequate and in order to ensure them being adequate, it is essential that there should exist in the rates a margin to provide for contingencies of various kinds that maye be met from time to time. These contingencies are important, as will be evident when it is realized that they include such matters as:

"(1) the possibility of losses from investments.

"(2) the possibility of having to meet unforeseen increases in expenses such, for example, as we are now facing in the increased taxation that is being placed on the companies and

"(3) the possibility of mortality becoming less favorable, which may happen through an increase in mortality among assured lives generally or from epidemics, wars or other disturbances.

"The margin for contingencies may be provided by the use of a mortality table showing a heavier rate of mortality than that likely to be experienced, by the use of a rate of interest less than the net rate likely to be earned in the future, by means of an increased expense loading or by a combination of all three methods.

"Events of recent years are forcing us to face some very unpleasant facts in so far as they affect premium rates. It has become evident

"(1) that there is exhibited a tendency toward an increase in mortality rates,

"(2) that increased taxation in one form or another is inevitable, thus adding to the expense of doing business,

"(3) that there is a downward trend in the rate of interest obtainable on suitable investments,

"(4) that, keeping in mind that life insurance transactions cover a relatively long period of time, there are likely to be investment losses from time to time and these in the final analysis are a proper charge against the interest rate,

"(5) that owing to the increased necessity for a life insurance company to maintain its assets in a position of greater liquidity than formerly, a larger proportion of its funds must in the future be invested in securities readily convertible into cash and this will be reflected in lower interest earnings,

"(6) that the expense per thousand of insurance is increasing due to a decrease in the size of the average policy.

"From the above it will be seen that the most important lesson to be learned from the present depression is that the companies should in their plans anticipate that lower interest earnings will be experienced in the future.

"A comparison of the premiums charged by many Canadian companies with those brought out . . . indicates that many, if not all, companies are today doing non-par. business at rates that must be resulting in loss and it would seem to be the part of wisdom to take steps forthwith to increase rates to such an extent as to make them at least self-supporting, while they should be increased still further if it is the company's aim to realize any profit on this branch of its business."

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TIDE HAS TURNED FOR CAN. DREDGE, EARNINGS GAIN

Position Greatly Improved in 1932 and Dividends Were Resumed

Canadian Dredge & Dock Co., Ltd., in the year ended January 31, 1933, had net profit of $333,008, as compared with $153,663 in the preceding year. Working capital position also showed an immense improvement during the year, and the chairman of the board, W. E. Phin, and the president, D. S. Pratt, were able to tell the shareholders in the annual report that the permanent financing, previously indicated as desirable on account of capital expenditures for new plant, will not now be necessary. After paying dividends on the 834 preferred shares still remaining unconverted and cancelled, there remained $3.54 a share available for each share of 92,498 no par value common shares.

Consolidated Income and Surplus Account

Years Ended Jan. 31

	1933	1932
	$	$
Net earnings	518,745	267,906
Less: Deprec. reserve	130,676	93,196
Inc. tax reserve	50,061	20,947
Net profit	333,008	153,663
Less appropriations:		
Pref. dividends	5,838	5,854
Com. dividends	92,498	208,100
Surplus for year	234,672	*60,291
Add: Prev. surplus	546,562	618,952
Less: Addit. inc. tax prior years	......	12,099
Balance carr. forward	781,234	546,562

*Deficit.

Hopeful for St. Lawrence Seaway

The report states that it is too early to estimate what new work the company may secure in 1933, but there is still a lot of work to finish on old contracts which will keep a portion of the plant operating during the coming season. The plant of the company has been well maintained and is in first-class condition to undertake any kind of dredging or marine work. The board is hopeful that the programme of the Roosevelt Government in the United States, coupled with the efforts of the Bennett Government, will lead shortly to a start on the St. Lawrence Seaway, the construction of which will be of such benefit to Canadian industry generally and to the company in particular. The improved situation enabled the company to resume dividends in December when a dividend of $1 a share was declared the first since November, 1931.

Working Capital Strong

Current assets increased, while current liabilities dropped, the ratio improving from 1.12 to 1 to 3.04 to 1.

New Plymouth Latest Addition Chrysler Group

Not only will this new car be on the market in a week or two but changes are expected on the present model and there is more than a possibility that some reduction in price may come about in the 107-inch wheelbase job.

Plymouth Motor Corp. has announced a new de-luxe line, a higher priced addition to the present line of Plymouth cars. The new car is now in production and is being shipped to dealers.

The De Luxe Plymouth will have the same engine as the standard model but will be mounted on a 112-inch wheelbase as against 107 inches for the standard, and will incorporate a number of new interior appointments. The company states that many of the additions will appear for the first time in a car in this price class.

No particulars regarding price were available in Toronto at the time of going to press although it is believed the new car will range about $20 above the standard line.

More Miles Per Gallon Claimed For Frontenac

High mileage to the gallon of gasoline is claimed by Dominion Motors, Toronto, for their new Frontenac cars. According to an announcement made by the company, a test run over 846 miles made in wet and snowy weather secured a result of 27.73 miles to the gallon.

In a number of other instances these figures have been much surpassed, a dealer driving from Toronto to Barrie recording 36 miles to the gallon while in another run from Toronto to Kingston over 31 miles to the gallon was recorded.

Illinois Commercial Barred from Writing Here

Members of the Illinois Commercial Men's Association resident in Canada have been advised that the association has been refused the right to solicit or issue any business in Canada, under an order dated March 21 from the Dominion Department of Insurance. Failure to comply with this order will result in loss of present Canadian members.

The association may retain its present members in Canada who maintain their payments but these Canadian members must be kept advised of any agreements entered into between the Dominion Department of Insurance and the association.

In the circular letter issued by the association advising members of this ruling, it is stated that the financial condition of the association complies strictly with the insurance requirements of the State of Illinois and that no Canadian claims are pending.

Premier Interested in Cariboo

At the annual meeting of Premier Gold Mining Co., held in Vancouver early this month, Dale L. Pitt, mine manager, told the shareholders that the company had optioned seven groups of claims in the Cariboo district of British Columbia.

Keep Them Husky

IF YOUR child has never been brought into close contact with anyone who has tuberculosis, you can count yourself lucky because boys and girls are more susceptible to the disease than grown people. Most children who pick up tuberculosis germs get them from someone who has an active although often an unrecognized case of the disease.

Whenever a child is found to be infected, there should be an immediate search for the source of the infection. A child may be in daily association with an older person who is entirely unaware of the fact that he or she has tuberculosis which can be transmitted. The condition is probably thought to be chronic asthma or bronchitis.

However, why guess about possible infection? You can almost always find out by the simple tuberculin test whether or not your child has picked up any germs of tuberculosis.

If he has become infected, you will want to take the next step—have an X-ray examination to learn whether or not any harm has been done or is being done. Even though the germs are lying dormant, an infected child ought to be under medical care and carefully watched.

Many tuberculosis experts are of the opinion that the majority of the active cases of tuberculosis in adult life are partly or largely traceable to infection in childhood.

Despite all the progress made in fighting the disease, it still causes more deaths and more invalidism between the ages of fifteen and forty-five than any other disease. Be on guard. Use all the help afforded by science to protect your children.

If detected in its earliest form, most cases of tuberculosis can easily be controlled and arrested. But if cases are permitted to develop to the point where the familiar first signs appear—loss of weight, lack of appetite, indigestion, fatigue and a persistent cough—there comes a long battle which can be won only with expert medical care, proper food and rest.

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Your Investments

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Cons. Investment Partly Liquidated

Wholesale Selling of Securities in 1931 and 1932 and Cancelling of Company's Own Bonds in Effort to Live Up to 125 Per Cent Clause

To get a right understanding of the past record and present prospects of Consolidated Investment Corp. of Canada, now undergoing reorganization, bondholders should realize that its portfolio under present conditions is in effect a partially liquidated one.

Although members of the proposed new directorate hope to build up the assets of the company again when marketing, trade and industrial conditions permit, the fact remains that since March 8, 1929, the company's assets have fallen away from $32,000,000 to $4,618,284 at the end of 1932.

Of this huge drop part must be attributable to the general influences which took the Dow-Jones average in industrial stocks from 381.17 to a low of 41.22 in July, 1932, and part to the fact that the company sold securities to buy in more than half of its bonds and to pay off $3,000,000 of bank loans as well. That last policy was more or less forced upon it by the clause which made it obligatory to maintain 125 per cent in market value of securities behind the bonds. Buying back its own bonds at a discount permitted failure under that clause to be deferred for a time.

Under the proposed plan of reorganization to be considered at the adjourned meeting of bondholders on April 24, in Montreal, the remaining holders of $6,427,000 bonds outstanding are offered $4,498,900 of 20-year five per cent cumulative income bonds, due 1953, and a holding of junior stocks whereby bondholders can benefit if prices and revenues of securities revive. The computation of $4,618,284 as net assets of the company is drawn from the balance sheet as at December 31, 1932, after giving effect to the proposed reorganization, and does not take into account any change in values which may have occurred in the first three months of 1933.

The following table gives a bird's-eye view of the course of the company since it began so far as it applied to bandholders:

	Funded Debt	Net Book Assets Backing Bonds	Securities Book Value	Securities Market Value
Dec. 31, 1929	$15,000,000	$32,046,757	*$19,263,265	$15,784,940
Dec. 31, 1930	15,000,000	32,078,184	*34,057,515	22,428,620
Dec. 31, 1931	7,161,000	24,388,521	26,981,143	12,208,584
Dec. 31, 1932	6,427,000	†4,618,284	23,614,704	‡4,658,187

*Difference between net book assets and book value of securities at the end of 1929 was due to the fact that the company had then one asset of $7,709,267 in secured call loans and $6,025,587 in investments in underwritings. This had dropped in 1930 to $1,827,859 in call loans and $190,003 investment in underwritings and thereafter these items drop from the balance sheet. A $3,000,000 bank loan appears in 1930 and 1931 and disappears in 1932.

†Net book assets at end of 1932 include securities at marketable and adjusted values.

‡This total is on the basis of market quotations at the end of 1932 in the case of quoted securities and at prices considered fair by directors in the case of securities not quoted

Bought Back Half Bonds

The foregoing table shows that the possibility of market value of securities held dropping below 125 per cent of bonds outstanding first became apparent in 1931. In his annual report to shareholders on April 15, 1932, J. H. Gundy, president, stated that the corporation purchased $7,839,000 of its first collateral trust gold bonds in 1931 and cancelled these. As it is understood that some of these bonds were bought in at 47 and 48 and at a broad average of about 62 per cent of par, the advantage of reducing the funded debt for a time more than offset the decline in value of securities held. The continued decline through 1932 in market value of general securities brought about a time when the company no longer found it advantageous to sell securities held as the present holdings include a large number of securities which must await developments during the next period of reviving activity in business.

At the bondholders meeting in Montreal on March 22 only about 49 per cent of outstanding bonds were represented and adjournment occurred to secure a quorum. Of bonds represented, The Financial Post is informed, about 95 per cent were held directly or through proxy by directors of the company. They represented registered bondholders and others to whom the position and prospects of the company had been explained; it was difficult to get in touch with many of holders of the bearer bonds in various parts of the Dominion and response from these has been therefore slower. Letters to The Financial Post, and published in recent weeks, indicate that there has been a disposition on the part of such bondholders to withhold assent until further information has been obtained.

Expected Underwriting Profit

The Financial Post view, often expressed, is that as a matter of general policy it is a mistake to have investing companies or investment trusts associated directly or indirectly with investment banking or brokerage firms. Consolidated Investment Corp. of Canada was not an investment trust only. That is, it was formed "to invest and re-invest its resources in government, municipal, public service and industrial bonds and shares, to participate in underwritings, to organize or assist in organizing companies and syndicates, to act as managers, and to engage in public service, financial, commercial and other undertakings." Profits from "underwritings and other activities" were to be sought as well as other profits, and it is likely that the majority of buyers would not have paid par for a 4½ per cent bond if it had not been for the common stock warrants which gave them the right to get 10 common shares free on the first dividend date for the common stock and to buy additional shares of common stock at $30 a share before February 15, 1934, at the rate of five for each $1,000 bond.

Wherein lay the hopes of buyers for prospective profits if not in the fact that it was hoped this corporation would participate with Wood, Gundy & Co. and others in underwritings? The corporation did in fact so participate, and The Financial Post is informed that the underwriting assets shown in a note to the foregoing table arose from two such major participations. Morever, the corporation took half the profit in one profitable undertaking but there was a loss on the other. Wood, Gundy & Co. bought back the stock from the corporation which therefore was saved from any loss whatsoever.

Tried to Build Assets Up

The Financial Post asked a principal of the firm what the reason was for this generosity. The reply was that the underwriters in 1929 and 1930 were exceedingly anxious to build up this firm in the early years so that it could stand up well during hard times. There were other instances as well where the underwriters with the same object bought back stock which otherwise would have shown a loss to the company in the prevailing market apathy.

Underwriters Lose Heavily

On March 8, 1929, the company started with $32,000,000 of assets obtained by selling $15,000,000 bonds at par, $10,000,000 preferred stock and by taking in $8,175,000 of equity stocks owned by Wood, Gundy & Co. and various associates as consideration for the common stock. These equity stocks at the time had a market valuation of $10,298,475, or an excess of market value over cost to Consolidated Investment of $2,123,475. These 14 equity stocks represented a cross-section of the common stocks of 14 leading Canadian companies in various lines of industry, finance, storage and public utility. As such equity stocks bore the first brunt of the economic storm which blew down all security values, the common stock equity of the directors and the associates of the underwriting firms was the first to disappear. Some of Wood, Gundy & Co. associates also had bought a considerable interest in the preferred stock and that was the next to go.

A member of one of the underwriting firms states that underwriters knew that the prominent position they took in the organizing and establishment of this investment trust would react against them if it did not stand up. That was their reason for desiring to make it so strong at the outset that it would withstand all ordinary assaults. That is why Wood, Gundy & Co. absorbed organizing expenses at the outset. They claim that it did withstand ordinary assaults: the assets worth $32,000,000 in March, 1929, were by market valuations worth $36,000,000 in September, 1929, and were worth more than $28,000,000 net at the end of 1929 after the first two market crashes. They state that what has interfered with the realization of the aims of the company to some extent has been not ordinary assaults but almost a complete collapse unprecedented in history of security markets.

Are Hopeful of Future

The company in 1930 increased its investment in securities by about another $16,734,000 drawn from $7,709,000 call loans, $6,025,587 held in underwritings and $3,000,000 borrowed in New York City. In operations of 1931 and 1932 the company managed to sell sufficient securities to cancel more than $8,500,000 bonds and to pay off this $3,000,000 bank loan. The rest of the assets have to be nursed and the policy for the future will be up to the new board. Questions by The Financial Post elicit the opinion that directors will not find the best solution to be the liquidating of all assets. They hope that more favorable conditions may permit them to bring the company once again to a strong position.

Underwriters Almost Eliminated

By the reorganization, it is stated, the interest of the underwriters will be represented by a small fraction of junior stock. Large bondholders, The Financial Post is informed, have been in touch with the situation from the beginning and have approved of the various measures taken. A representative of The Montreal Trust at the first bondholders meeting in Montreal, when asked by a bondholder why the company had not apprised the bondholders of the fact that security behind the bonds had gone down, replied that at the request of one per cent of the bondholders such a meeting would have been called. Large bondholders known to the company were apprised of the facts and these bondholders advised the trust company against precipitate action.

Asked what answer the directors had to the expressed suspicion by some bondholders that Consolidated Investment Corp. had been made a dumping ground for underwriting companies, an official handed a representative of The Financial Post a list of the stocks put into the company in March, 1929, by Wood, Gundy & Co. and associates and the portfolio as it stood at the end of 1932. Checking these over, The Financial Post found that most of the issues with which Wood, Gundy & Co. has been prominently associated are included in both statements and that there has been little change in the number of shares held except in the case of Massey-Harris; in the latter case both common and preferred shares held increased. For those shares exceeding $8,000,000, contributed by Wood, Gundy & Co. and associates for the common stock those depositors will get nothing; they stand as part of the security behind the bonds. If these shares had been sold by the owners in 1929 or even in 1930 the original owners would have been much richer than by turning in to Consolidated Investment Corp. Eight out of the 14 stocks have apparently good prospects, judging by the past, of recovering markedly in a time of business expansion. The others are not hopeless.

Independent Management Claimed

This official stated that stocks were bought from Wood, Gundy & Co., as well as from other investment houses both in the United States and Canada. The company was not a subsidiary of Wood, Gundy & Co., and the critics were wrong in taking it for granted that operations of Consolidated Investment Corp. were inside operations of underwriters. The company was run separately and in the future he states that independent control will be even more marked because of the fact of change of control to bondholders.

The Financial Post asked what securities were sold from the portfolio of the company since 1930. The Post's representative was given details of nearly 50 transactions covering sales of about $3,000,000 of securities. Naturally all of these were saleable securities and the presence of most of them in the portfolio today would make it look much stronger. Their sale enabled the company to cancel more than half of its outstanding bonds, however, and pay off $3,000,000 to New York banks. Selling of United States Steel common, for instance, has saved the trust a lot of money and that is the case with the sale of stocks of many United States and Canadian companies. Strong as they looked at the time, they could have been bought back later for much less. Some stocks sold for a good price from the portfolio of the company would now have to be shown, if retained, at a nominal figure.

The company in its letter to bondholders recommending reorganization in a new company to be called United Corporations referred them to the Dow-Jones average of industrial stocks listed on the New York Stock Exchange. For example, at the high point in September, 1929, the Dow-Jones average was 381.17 and in July, 1932, stood at 41.23, that is, quoted securities were then less than one-ninth of the valuations shown in September, 1929. It may be added that the Dow-Jones average ran up to 80 on September 9, 1932, back to 60 at the end of 1932, down still further to 50 at the end of February, up again to 54 just before the New York Stock Exchange closed on March 3 because of the bank holiday declared by President Roosevelt, up at 62 when the stock exchange reopened and back to 55 again.

The comparison is interesting even though not entirely parallel. Consolidated Investment Corp. held at the end of 1932 108 securities of which 26 were bond issues and the other 82 securities included a dozen which were not industrial. However, the nine South American Government bond issues are shown at a greater decline than stocks have shown and two company bond issues are practically written off. Six others are in a doubtful position, leaving nine in favorable present position. Reviving world trade and improved exchange with South America would give the bonds a marked increase of strength.

Waiting For Revival

On the whole, the stocks have the more important possibilities for reviving. Being of a kind very vulnerable in a depression, many of them should prove just as susceptible to the influence of returning business activity when it comes. The last three words, "When it comes," indicate both the uncertainties and the hopes attaching to the future of the company. Ridding it of the 125 per cent provision attached to the bond issue is necessary whether the present plan is accepted by bondholders or not. The forced selling of securities to maintain that proportion is the sort of thing which prevents anything like investment management. It was meant for the protection of investors but actually it is doubtful whether it has been a help.

Enquiries

Abitibi Power Common

I am a common stock shareholder of Abitibi Power and Paper. Will you kindly advise me of the present and probable future standing of my holdings?

With Abitibi Power and Paper Company now operating under a receivership and bankruptcy proceedings having been instituted by trade creditors, the present standing of your common stock is very low. Any view as to its future must await the working out of the management under the receivership and the success of general plans for rehabilitating the industry, which is now in a bad way.

In the industry, the companies themselves cannot see very far ahead and are fumbling their way forward to some solution. This may take the form of merger so as to overcome too great competition and certainly will in most cases entail drastic writing down of securities values. A recent report by the receiver shows only three out of nine plants operating and three of the six non-operating plants were of doubtful value to the company. It is a long road back to make the common of earning value, and it may entail permanent closing down of higher cost mills as soon as present supplies of pulpwood in pile are used up.

Associated Breweries

I hold quite a large block of Associated Breweries preferred and common. I am informed that there is likely to be a drop in beer prices in Alberta. Will this not have an adverse effect on Associated stock?

Lower prices for beer, if that comes about, would certainly reduce gross earnings of Associated Breweries and possibly affect net profits to a considerable extent as well, unless the company were able to make drastic cuts in labor, material and distributing costs sufficient to offset such reduction.

There is on the other side, of course, the possibility that the two new plants of the company at Great Falls, Montana, may prove profitable as the new law permits production. There will be keen competition to get available business now that manufacture and sale are made legal in Montana and only the event will show which will be most successful.

If the price paid in Alberta for beer as claimed by hotel-keepers, is $25.80 for a 25-gallon barrel as compared with $11.50 in Quebec it would appear that there could be a considerable reduction without eliminating profits, especially if the reduction brought greater use.

No Advice on Switches

I hold 150 shares Imperial Oil, 130 shares Shawinigan Water & Power Co., and 900 shares Montreal Light, Heat & Power.

These are the only investments which I have and the advisability of liquidating a proportion of holdings in these three companies and reinvesting the proceeds in a more diversified list which will give a better chance of appreciation over a period of years has been recommended to me.

The suggestion is that I should sell 50 shares Imperial Oil, 30 shares Shawinigan and 700 shares Montreal Light, Heat & Power, the proceeds of which would give around $21,000. I am asked to purchase: $5,000 Dominion of Canada 4%, due 1952; $5,000 Province of Quebec 4½%, due 1963, and shares of seven companies whose names I send on a separate list and which I would be glad if you did not mention in The Financial Post as they would identify me with my investment bankers.

Would this be in my interests? I carry a fair amount of life insurance and have a good position. The point of view of actual income at the present time is not of material importance but, over a period of years, I wish to get appreciation in capital. Will I be more likely to get appreciation by diversifying holdings as suggested than by retaining present blocks of the three stocks mentioned?

The Financial Post does not advise on switches from one security to another investment. In our opinion we serve you better by publishing in The Financial Post all available information on Canadian securities from week to week so that you may know when there has come a change in the situation of any security which makes it advisable to dispose of it. It seems to us best to set forth the situation with regard to any company in such a way that the one receiving it can form his own judgment.

There can be no doubt but that the addition of Canada and Quebec bonds to the portfolio would strengthen it, but in view of the disturbed condition of business as yet, and the foggy political, economic and social position in so many countries of the world, we would, as a matter of general advice, not think it well for any man to drop securities of companies which have a very strong liquid position and a leading position in their lines for securities of other companies which have not these advantages and which might not bear the stress of difficult times as well. Well-financed companies with a good record and good management stand the best chance in the years ahead. You have shown considerable confidence in the securities which you already hold by purchasing so much of each. Some of the seven you are offered in exchange have good prospects but are not so strong financially. All three have splendid records and are outstanding in their line. Imperial Oil is now well entrenched in Canada but 60 per cent of its dividend comes from outside Canada. For more than two decades it has maintained its position in Peru and Colombia through the International Petroleum Company, and the Tropical Oil Company in spite of wars, rebellions and all kinds of changes of government. Just now there is a war between Peru and Colombia. there is a price war of unexampled severity among the various world producers of crude oil and that has brought price wars in gasoline and other products. Competition is increasing in Canada but this company is better able to meet it than the others. Shawinigan has its troubles, but on the whole has been showing a good front. Doubt as to future demands from newsprint companies is the one uncertain point. Montreal Light has a splendid record.

B. A. Oil

I wish some information on 100 shares British American Oil common purchased at $12 per share.

In view of business still declining and many dividends being cut, would you advise me to take a loss on this stock and hold the money or reinvest the proceeds in a more promising security?

As there has been a decided impairment of the position of the oil industry in the United States recently, and as refineries built in 1932 give a considerable excess capacity above Canadian requirements, it is possible that from these two sources there may be growing competition in 1933, and the consequent effect on gasoline of this cannot at the moment be foreseen.

British American Oil Company is capably managed, is the second oil company in Canada, and now is a fully integrated oil company. The company has $5,000,000 of 6 per cent debentures to sell as soon as market conditions permit. The proceeds will be used in reducing bank loans and other current liabilities.

Large amounts spent by the company in 1931 and 1932 have made large economies possible in transport and manufacture of its crude. It earned 99 cents a share in 1932 and paid 85 cents. So long as this scale of earnings continue, reduced dividends need not be feared.

Deciding What to Sell

I have $1,000 5½ per cent Penmans, Ltd., bonds due Nov. 1, 1951, and also a $1,000 5 per cent bond of the Province of Ontario due Oct. 15, 1948, one of which I must sell. Would you advise selling the Penman bond at the prevailing discount or holding it and disposing of the Province of Ontario bond?

The decision as to whether you should sell your bond of Penmans Ltd. or your Ontario bond will depend largely upon the character of your other investments, also upon the degree of risk that you can afford to take. If you can afford to take no risk whatever possibly it would be advisable to retain the highest grade bond which naturally is that of the Province of Ontario. If you can afford to take the risk of holding your Penmans bond in the hope that industrial bonds will improve in price, the Ontario bond could be sold.

The annual statement of Penmans Limited for the year ended December 31, 1932, shows a strong financial position and the company continues to pay common dividends although the rate was reduced in 1932. The company has $2,345,792 in current assets and only $172,401 in current liabilities. Cash on hand of $257,791 is almost double the amount of accounts payable. The company has continued to earn bond interest by a very satisfactory margin of 3.97 times interest before depreciation and 3.06 times after depreciation. Net earnings in 1932 were higher than in either 1931 or 1930. The company is by no means immune from prevailing business conditions: dollar volume of sales has shown a reduction in each of the past four years and in 1930 and 1931 no provision was made for depreciation. Bonds of the company are well considered in their class but are affected by the practical stagnation of the market in industrial bonds.

Lake Superior

I hold some shares of Lake Superior Corp. but understand the company was reorganized some time ago. What should I get for my old common stock? Is the new company making progress?

Two years ago, Lake Superior Corp. was reorganized, and a new company, Algoma Consolidated Corp., was formed. Shareholders of Lake Superior Corp. common stock were offered one share of 7 per cent preferred and one share of common stock in the new company for each old common share held. Owing to the unsatisfactory conditions prevailing in the steel industry, Algoma Consolidated Corp. has not made much progress since its formation, and immediate outlook cannot be considered encouraging. The steel plant is closed down, and prospects for an early resumption of activity on a broad scale are not yet apparent.

Can. Gen. Investments

Please analyze last financial statement, Canadian General Investments, Ltd., giving breakdown value per share of common stock.

Since the death of W. W. Evans in July, 1932, the investment portfolio of Canadian General Investments has been supervised by H. R. Jackman who was called in as investment counsel and very material changes have been made. This is evident in the recent balance sheet where the securities held by the trust have been written down as far as possible. If one accepts the company's valuation of $4,248,192 for its assets as at December 31, 1932, the liquidating value of each share of the company's stock would be $5,656.

The unsound structure of loans to affiliated companies shown as assets in the balance sheet at the end of 1931 have been practically eliminated and the company has reduced its borrowings. Loans shown among current liabilities at December 31, 1932, and amounting to $828,477, have been reduced by over $160,000 since that date.

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Bank Chat on Current Topics

Let's Rewrite Section 71

AN ECONOMIST has taken us to task for a statement in this column that a banker need only pay $100 in Dominion notes, when requested for this type of payment. He suggests that we have misread the section 71 of the Bank Act governing such payments.

Two Ottawa lawyers and three officials of the Department of Finance, the economist says, have assured him that it is erroneous to suppose that a banker need only pay $100 in Dominion notes on demand. We understand that no definite legal decision has been made in the courts on this subsection.

The clumsily worded subsection, of section 71 of the Bank Act governing this, reads:

> "The bank, when making any payment shall, on the request of the person to whom the payment is to be made, pay the same, or such part thereof, not exceeding one hundred dollars, as such person requests, in Dominion notes for one, two or five dollars each, at the option of such person."

The economist agrees that this subsection is plainly open to two interpretations. He thinks that it is intended to designate full payments in Dominion notes on request, but that the payee shall have the right to get $100 in small bills for till money.

We humbly suggest that, if the economist is correct, this subsection be re-written into two subsections at the next revision of the Bank Act. Our notion of what would be good terminology might not meet the demands of lawyers but we suggest, again humbly, that it could be understood. This is our suggestion for re-wording the subsection:

> 1. When making any payment, the bank shall, on the request of the person to whom the payment is to be made, pay the same in Dominion notes.
>
> 2. When making any payment in Dominion notes, the bank shall, upon request, pay such part thereof as the payee requests, in Dominion notes of one, two or five dollars each, at the option of the payee.

If the meaning of the subsection is that which we placed on it, there is also need for clarification.

Certainly the layman's reading of the present subsection gives the impression that banks need only pay $100 in Dominion notes. This would probably be the bankers' reading too. What do you think?

* * *

Cash and the Crash

DAYLIGHT overdrafts, which are common in the dealings of banks in financial districts, caused much sorrow on the day of the great stock market crash, Oct. 29, 1929.

At least one banker refused to certify cheques for daylight overdrafts on that fatal day, thus impeding the course of dealings which were difficult enough anyway. But his nervousness can be excused.

A stock broker with a substantial deposit account as well as a high grade loan with this banker, wanted $40,000 to meet his clearing on what might be appropriately termed Black Tuesday. As usual, his credit being A1, he merely sent a messenger to the bank with the cheque to be certified. A few minutes later the messenger phoned that his request was not to be granted.

Thereupon the stock broker became nearly as excited as the banker. He forgot that he could draw on any of three other banks and get his cheques certified without difficulty. He went to see the banker who was refusing the money.

* * *

A HEATED interview followed, with the banker in the driver's seat.

"What do you want?" said the banker.

"I want my clearing cheque for $40,000 certified on a daylight overdraft," the broker replied.

"How do you propose to cover it today?" quoth the banker.

"I'll cover it with a loan, after we receive our securities from the clearing house," answered the broker, knowing that his line was good for more than the amount.

"There'll be no loan," the banker fairly shouted, "You'll have to give me your word of honor that you will cover it in cash by three o'clock."

"Very well," said the now thoroughly nervous broker, "I promise." He had only a hope that he could get the necessary loan from two friendly trust companies who had offered funds at what seemed exorbitant rates the day before.

Fortunately the trust companies still had the funds available or a brokerage failure might have been precipitated into the crumbling stock market.

This was a banker's error, but an excusable one, looking at it after 3½ years. October 29, 1929, was a day when the nerve of bankers was severely tested. It called for great use of common sense by bankers in displaying confidence in their financial customers who had displayed competence and honesty in their previous dealings.

Bankers who did not rise to the occasion were uncommon, otherwise the story would not be worth telling.

Obituary

William H. Rothera, manager of the Inverness, Que., branch of The Royal Bank of Canada since 1910, died at Inverness recently. Mr. Rothera entered the Quebec bank in 1902.

John Galt, former president of the Union Bank of Canada, died at Victoria, B.C., on April 9. Mr. Galt was born in Montreal 77 years ago, and received his education there. He served as secretary to his father, Sir Alexander T. Galt, one of the fathers of Confederation, and later started his banking career with The Bank of Montreal. He spent most of his years in western Canada where he was manager of G. F. and J. Galt, wholesale grocers, which later became the Blue Ribbon Co.

Current Events in Banking World

INTEREST RATES FOR FINANCE ACT NOW REVEALED

Efforts to Control Advances Seen in New Data

RAISED RATE IN 1928

Most Changes Occur in Fall When Advances Reach Peak—First Time Changes Have Been Published

A complete list of changes in the interest rates charged banks for advances under the Finance Act, from 1914 to the present, has been furnished to The Financial Post by the Department of Finance, Ottawa. This is probably the first time that such a list has been published in the press of this country.

Most of the changes in rates have occurred in the autumn, when advances under the act usually become heaviest.

Some measures of conscious effort to control the operation of the act, through changes in interest rates, are evident from this list. In 1928, when gold was being exported and new advances being made in more than usual amounts, the rate on new advances was raised from 3¾ to five per cent, and five per cent was charged on withdrawals of gold from the date of withdrawal. A reduction from 3½ to 2½ per cent on advances against four per cent treasury bills dated Oct. 15, 1932, was also allowed. A reduction from 3½ per cent to three per cent was allowed on the famous $35,000,000 of four per cent two year notes, dated Nov. 1, 1932.

Department's Schedule

The complete schedule of changes, as furnished by the Department of Finance, and rearrangement in tabular form by The Financial Post, are as folows:

Rates of Interest Charged on Advances to Banks Under The Finance Act

From August, 1914, to Nov. 1, 1924—5 per cent per annum except when Imperial Treasury Bills were deposited as collateral, then 3½ per cent was charged. This latter rate was authorized under the terms of Order-in-Council dated **Oct. 20, 1917**, P.C.-2937, passed under authority of the War Measures Act.

Nov. 1, 1924—Treasury Board Minute 112,082, dated Oct. 21, 1924, reduced the rate to 4¼ per cent per annum, effective Nov. 1, 1924.

Nov. 1, 1927—Treasury Board Minute 122,011, dated Oct. 25, 1927, reduced the rate to 4 per cent per annum, effective Nov. 1, 1927.

Dec. 1, 1927—Treasury Board Minute 122,421, dated Nov. 21, 1927, reduced the rate to 3¾ per cent per annum, effective Dec. 1, 1927.

June 8, 1928—Treasury Board Minute 124,505, dated June 8, 1928, 5 per cent per annum to be charged on future advances; on outstanding advances, 5 per cent per annum to be charged banks which hereafter withdraw gold from date of such withdrawal.

Sept. 1, 1928—Treasury Board Minute T125,369B, dated Aug. 29, 1928, fixed the rate at 4½ per cent per annum, effective Sept. 1, 1928.

Dec. 1, 1930—Treasury Board Minute T138,216B, of Nov. 27, 1930, fixed rate of 3¾ per cent per annum on advances made to banks against the security of Dominion of Canada 4 per cent Treasury Notes due Dec. 1, 1932.

Nov. 1, 1931—Treasury Board Minute T143,568B, of Oct. 26, 1931, reduced the rate on all advances to 3 per cent.

May 1, 1932—Treasury Board Minute T145,577B, of April 30, 1932, fixed the rate on advances at 3½ per cent.

Oct. 25, 1932—Treasury Board Minute T147,349B, of Oct. 14, 1932, fixed the rate on advances at 2½ per cent, secured by 4 per cent Treasury Bills dated Oct. 15, 1932.

Nov. 1, 1932—Treasury Board Minute T147,541B, of Nov. 1, 1932, fixed the rate on advances at 3 per cent, secured by 4 per cent two-year notes dated Nov. 1, 1932.

Tabulation of Changes in Rates Charged, Banks on Finance Act Advances

Date	Ordinary rate %	Special rate on new advances and gold withdrawn %	Special rate on Treasury Bills and Notes %
Aug., 1914	5	...	...
Oct. 20, 1917	3½*	...	...
Nov. 1, 1924	4¼	...	...
Nov. 1, 1927	4	...	...
Dec. 1, 1927	3¾	...	...
June 8, 1928	3¾	5	...
Sept. 1, 1928	4½	4½	...
Dec. 1, 1930	4½	4½	3¾†
Nov. 1, 1931	3	3	3
May 1, 1932	3½	3½	3½
Oct. 15, 1932	3½	3½	2½‡
Nov. 1, 1932	3½	3½	3§

*Allowed only on Imperial treasury bills by order-in-council under War Measures Act. Date of cessation of this provision is not given in the schedule.

†Allowed only on advances against four per cent treasury bills due Dec. 1, 1932.

‡Allowed only on advances against four per cent treasury bills dated Oct. 15, 1932.

§Allowed only on $35,000,000 of two-year four per cent notes dated Nov. 1, 1932.

Canadian Banks Well Represented in 150 Largest

Eight of Canada's ten chartered banks are included in the list of the 150 largest banks in the world, ranked in order of their deposit liabilities at Dec. 31, 1932.

The Bank of Montreal and The Royal Bank of Canada rank fourteenth and fifteenth in the list, coming ahead of the Bank of England. The Canadian Bank of Commerce is twentieth. The list is compiled by the California Bank of Los Angeles.

The 20 largest banks as shown in this list are as follows:

	Deposits in U.S. Dollars (000's)
1. Chase National Bank	$1,466,039
2. Midland Bank Ltd.	1,395,688
3. National City Bank	1,299,378
4. Federal Reserve Bank	1,272,579
5. Lloyds Bank Ltd.	1,272,068
6. Barclays Bank Ltd.	1,266,549
7. Guaranty Trust Company	1,038,778
8. Westminster Bank Ltd.	992,576
9. National Provincial Bank Ltd.	971,405
10. Bank of America, Nat. Trust & Savings Assn.	700,448
11. Continental Illinois National Bank & Trust Co.	673,124
12. Bankers Trust Company	621,867
13. Central Hanover Bank & Trust Co.	594,220
14. Bank of Montreal	579,978
15. First National Bank	550,940
16. Royal Bank of Canada	544,808
17. Bank of England	482,786
18. First National Bank	459,625
19. Security-First National Bank	452,778
20. Canadian Bank of Commerce	430,722

Jewish Loan Society Forced Into Liquidation by "Run" on "Aktzies"

Banker Obtains 17 Signatures to Collect Advances

CALLED "ACTIONS"

Jewish Mutual Loan Groups of Ancient Origin; Lend to Members Against Endorsed Notes

What are aktzies?

Neither a wine nor a cheese, but merely the Jewish name for installment plan banking.

A bank manager who has had dealings with aktzies informs The Financial Post that this name is a more or less colloquial Jewish or Polish designation for mutual loan groups. "Actions," meaning shares, as in French, is a more accurate name, Jewish authorities told The Post. The history of such mutual loan groups goes back hundreds of years.

This particular bank manager recently had to obtain 17 signatures as part of the legal process of collecting a loan to one of these groups. As the 17 names were all those of Jewish people, it can be imagined that they made an imposing array.

Group in Liquidation

The need for these 17 signatures arose from liquidation proceedings of one of these Jewish mutual loan societies. Because it was known that this particular society had a substantial proportion of very slow loans on its books, members, in accordance with their rights, began to withdraw their shares of the capital. In order to forestall this, the officers of the society placed it in voluntary liquidation.

Community, fraternal or church associations form the background on which these mutual loan societies are founded. Some of the loan groups are incorporated, but more are not. The actions, as the groups are called, are characteristic of the Jewish people and their clannish instincts. They band together to help each other financially, at the same time never overlooking the profitable side of the business.

"Actions" are formed and remain in existence for one, two or three years. At the end of the period they are often re-formed. Memberships consist of purchases of shares which may not be fully paid at the outset. Such membership entitles members to borrow up to as much as ten times the amount of the shares subscribed, but only on notes endorsed by two or more guarantor members of acceptable credit. The "good" members lend to the financially weak ones. Advances are repayable weekly or monthly, and the interest is deducted from the amount of the original loan.

Interest Return High

Thus a member might have shares of $20 and might borrow $200 on the endorsement of members who are considered good security. The interest, varying from seven to ten per cent would be deducted from the loan. If this amounted to $14, the borrower would receive $186, and on a monthly repayment basis would actually only have the equivalent of a loan of the total sum ($186) for six months. In other words, he would be paying $14 interest on $186 (not $200) for a six months' loan. This is equal to about 15 per cent per annum. If the stated interest rate were higher than seven per cent, which it often is, the actual rate would be correspondingly greater.

The bank comes into the finances of these actions only in some cases. If the security of the notes and their endorsers is good enough, Canadian banks sometimes make loans to the groups to tide them over the period when the payments for shares are being received. As members of the actions can withdraw their money at any time on penalty of sacrifice of their right to any profits, the bank also may lend to the groups to finance such repayments of principal, pending the time when the notes can be collected.

Large Savings Deposits

As the borrowers begin to repay their advances, the "actions" will lend to other borrowing members, thus keeping as much as possible of the funds employed during the life of the action. In the case of some groups, such as that mentioned by the bank manager to The Financial Post, large balances are collected in the form of savings deposits in the bank when the period of existence of the group is coming to an end. An amount of $25,000 to $30,000 was cited by the banker. When the debts to the action are completely liquidated, the proceeds are then divided among the members or else the action starts business all over again. Both the manager of a chartered bank branch and a Jewish private banker mentioned to The Financial Post cases in which members had doubled their money through investments in "actions" over a three to five year period. The reason for this more than proportionate increment on the investment is that withdrawals on capital, and consequent loss of right to profits by those withdrawing the money, leave just that much more "in the pot" for those who carry on until the action's set period of existence expires.

"Run" On An Action

In the case mentioned above, in which the "action" was in voluntary liquidation, the members had started a "run" on the funds of the society. Just as bankers and other lenders have had their difficulties with loans and collections during the present depression, many actions have had even worse problems because their borrowers are less secure than those of banks. The members in this case, knew that an unfavorable condition prevailed in their society, and decided to get their money out and to sacrifice their right to profits in doing so. The demand for money became greater than the bank or the "good" members of the action wished to handle, in view of the large proportion of very slow loans on the books, and the executive of the action placed it in the hands of a trustee for liquidation, thus successfully stopping the "run."

The number of "actions," small and large, is legion. The reason for this is that wherever Jewish people gather into colonies they form social or religious groups. These groups are sometimes formed by people who are from the same place in Europe, whence come most of the Hebrew members of Canada's population. Jews from Warsaw, for instance, might combine to build a synagogue and from this might arise an "action" composed of members of the church. In some cases, where only a dozen families from the same European centre are domiciled in the same locality in Canada, social clubs or societies are formed from among them.

In forming "actions" and becoming members, Jews are able to satisfy their desires to borrow money and to lend it at a profit. These "actions" lend on risks which would not satisfy most banks or private money lenders, and are frequently responsible for the creation of some business for the community because of this. The Financial Post conversed with a Jewish steamship ticket agent and found that actions had made loans to members to pay for tickets, to bring the borrower's family to this country. The agent, who is also a dealer in credit, frankly admitted that in many cases where he would not have thought of lending the money for tickets himself, actions had done so.

Moncton Branch Bank of Montreal Employed G. M.

A former general manager of the bank, and one of the present joint general managers, have been among the employees of the Moncton, N.B., branch of the Bank of Montreal in the course of its 60 years existence. Sir Frederick Williams-Taylor and W. A. Bog are the two notables concerned. Perhaps some other bank branches can boast similar distinctions.

The present manager of the branch, which was established in 1873, is G. Filliter. The first manager at Moncton was Charles Thomson. Other managers who guided the affairs of the branch were: F. M. Cotton, appointed 1878; A. H. Beddome 1888, F. J. Hunter 1894, Robert Clark 1896-1914.

Monthly Bank Clearings

	March, 1933 $	Change year ago %	Feb., 1933 $
Halifax	7,576,668	—21.2	6,622,457
St. John	5,868,239	—28.3	5,371,426
Moncton	2,241,712	—17.3	2,218,890
Sherbrooke	1,918,415	—22.9	1,841,162
Montreal	267,249,626	—19.4	283,452,137
Ottawa	14,753,573	—29.6	13,516,713
Kingston	1,857,618	—15.1	1,675,758
Peterboro'	2,032,707	—16.5	1,752,913
Toronto	305,793,875	—5.3	328,426,618
Hamilton	12,659,013	—22.6	11,906,815
Kitchener	3,103,246	—4.9	2,831,142
Brantford	2,741,689	—14.9	2,443,639
London	9,089,628	—17.7	8,162,899
Windsor	7,633,420	—22.1	7,650,761
Sarnia	1,344,778	—11.6	1,499,168
Sudbury	1,727,768	—18.6	1,509,805
Ft. William	1,811,907	—22.7	1,721,995
Brandon	1,022,628	—29.5	888,038
Regina	13,288,363	+4.9	8,629,115
Moose Jaw	2,710,102	+26.4	1,484,174
Saskatoon	4,332,592	—24.6	3,808,230
Pr. Albert	162,286	—27.0	250,510
Calgary	18,347,604	—13.3	16,372,383
Med. Hat	672,279	—10.0	548,037
Lethbridge	1,180,008	—15.6	1,059,746
N. W'minster	1,521,825	—24.3	1,460,908
Vancouver	45,629,698	—14.2	44,005,344
Victoria	4,860,662	—22.6	4,550,627

Weekly Bank Clearings

	Apr. 6, 1933 $	Change year ago %	Mar. 30, 1933 $
Halifax	2,054,569	—45.3	1,391,470
Saint John	1,508,326	—24.8	1,143,530
Moncton	593,055	—27.9	513,954
Sherbrooke	566,901	—17.8	358,225
Quebec	4,295,154	—11.2	2,635,572
Montreal	67,470,704	—25.5	51,409,213
Ottawa	3,845,685	—42.1	2,807,515
Kingston	504,598	—32.0	....
Peterboro'	541,164	—22.7	489,445
Toronto	80,460,143	—31.4	62,329,289
Hamilton	3,743,683	—20.0	2,555,105
Kitchener	854,909	—16.3	631,239
Brantford	718,232	—27.6	590,661
London	2,466,753	—19.6	1,604,887
Chatham	411,014	—15.8	307,256
Windsor	1,889,108	—31.7	1,394,965
Sarnia	339,185	—21.3	198,715
Sudbury	451,681	—10.2	339,577
Fort William	591,281	—9.6	338,278
Winnipeg	31,538,021	—15.7	29,590,938
Brandon	293,680	—24.3	180,704
Regina	3,744,548	—1.1	1,774,886
Saskatoon	1,164,705	—27.3	855,194
Pr. Albert	247,697	—28.4	162,286
Edmonton	3,817,055	—26.8	2,418,550
Calgary	4,910,324	—2.1	3,465,960
Medicine Hat	229,097	+8.2	124,640
Lethbridge	317,902	—23.9	236,074
N. W'minster	414,824	—32.8	338,531
Vancouver	11,192,153	—26.2	9,101,173
Victoria	1,299,021	—30.6	879,240

Banker Sees Danger in Selling Securities

Thinks Proper Function of a Bank is to Take Deposits and Lend to Commerce, Not to Switch Deposits Into Long-term Bonds—Wouldn't Compete With Bond Dealers

In discussion of security dealings of Canadian banks, one banker recently gave to The Financial Post his reasons for believing that banks should not be active in the securities business. These reasons were given as those which his bank has observed in not establishing an active securities department to handle varying types of securities business.

"We feel," the banker said, "that the proper function of a bank is to take in deposits and to lend on short term commercial loans. Thus, we finance the business of the country. If we were to try to divert deposits into long term securities we would not be following this principle, and we feel that in doing so we would not be following the proper functions of a bank."

Wouldn't Interfere

"A second good reason for our not establishing a securities department, particularly for retailing bonds, is that we are not thereby interfering with the business of the bond houses. They are good customers of the bank and they perform a valuable service to the community. I think they appreciate our not entering into direct competition with them.

"Of course we have to handle a certain amount of business which comes into our branches voluntarily. There are many people who do not trust investment firms because they have had unsatisfactory experience with purchases from them. Such people go to our branches with their business, and we provide a service for them if they request it. We only sell government or municipal securities in this way."

Danger of Selling

"But all that is apart entirely from the possible unbusinesslike sales of securities by banks," The Financial Post remarked. "Isn't it true that there is a danger of banks which are active in the securities business selling to clients securities which are not entirely gilt-edged?"

"Absolutely, yes," this banker replied. "If a bank sells securities actively on its own account, the danger certainly exists."

"Wouldn't it be a good rule for banks to follow that they should recommend to the customer nothing but a higher grade of investment when the client is considering switching from his holdings?" The Post asked.

"I think that is absolutely sound, and it is the principle we adhere to in our dealings with customers," the banker stated.

PRIZE OF $1,000 FROM ROYAL BANK FOR ESSAY ON £

Manitoba Student Would Stabilize Prices in Sterling Group

The Royal Bank of Canada announces in its current monthly letter that W. T. Easterbrook, of the University of Manitoba, has been awarded the bank's $1,000 Economics Fellowship essay prize.

The essay deals with a plan for establishment of a sterling currency group. Its theme is that countries of the British Empire, and other countries of the sterling group, can achieve stability of internal price levels and stability of their currencies by operating a co-operative credit system. This would be worked through central bank policy, led by the Bank of England, with the aim of maintaining or raising the internal price levels of sterling-group countries. Co-ordinated internal price levels in the sterling countries attained through co-ordinated credit policies would tend automatically to co-ordinate sterling exchange quotations within the group.

Canada's Position Difficult

Remarks on Canada's position, and selected comments from the essay, are as follows:

"Canada's position is a difficult one. The fact that she is a part of the Empire, and that she is accustomed to utilize sterling balances in London to meet payments in United States, makes the movements in sterling values of some concern to her. On the other hand, owing to her annual payments across the border, her financial relationships with United States cannot be overlooked. The advantages which would accrue to Canada, however, from a moderate restoration of prices, together with subsequent price stability, and fixed rates of exchange with the rest of the Empire would far outweigh the advantages of stability in relationship to the United States.

"Theory and experience unite in proving that a strong central bank free from the limitations imposed by the gold standard can maintain a moderately stable internal level of prices, by means of variations in quantity and terms of credit. Sweden, despite grave internal and external disturbances, has kept a remarkably stable level of prices over a long period. The central authorities in England, no longer fearing inflation, have succeeded in maintaining a very satisfactory degree of price stability in the past months. The success of these countries has been very largely the outcome of deliberate policy and speaks well for monetary management in the future.

Failure of Gold

"The important fact underlying present gold movements is that gold has ceased to serve any monetary purpose. It no longer operates to correct disparities between price levels and interest rates between different countries.

"There is no doubt that the formation of an extensive 'area' relatively free from price and exchange fluctuations, composed of a large number of countries co-operating closely by means of a common monetary policy, to effect a rise in the general level of commodity prices to a pre-determined point, offers the greatest possibilities of a recovery from further depression and misery, not only within the 'area' but in the gold standard countries as well."

Foreign Exchange

EXCHANGE rates between Canada, London and New York, showed marked stability in the week ended April 10. The premium in Canada on New York funds varied between 21⅜ and 20⅝ per cent. Sterling sold mostly at $4.12 or slightly higher in Canada and varied in price by only ½ cent in New York.

Relative financial stability was chiefly responsible for this steadiness of quotations. Disturbing factors which were present for some weeks previous were absent. These conditions may change in coming weeks, due to pending negotiations on tariffs and war debts in Washington. It should be remembered that the war debt question will come prominently to the fore in the next two months, semi-annual installments being due June 15.

* * *

A FACTOR tending to weaken sterling in Canada, which cannot be measured as to effect, is the combination of duties against imports valued in that currency. Decrease in the dumping duty provisions does not seem to have resulted in any fireworks in exchange rates, but the levying of duties on British goods, on a value of $4.8665 to the £, would appear of more importance. If sterling were stabilized on a lower level than $4.86, Canada would probably have to revise this latter duty basis to the new level. This might tend to transfer Canadian purchases to Great Britain from the United States, with consequent reflection in the two exchange rates.

The week's quotations, as compiled by The Financial Post, follow:

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Apr. 4	20 7-8	20 1-8	11 3-16	10 7-8
Apr. 5	21 3-8	20 3-4	10 15-16	10 7-8
Apr. 6	21 1-8	20 7-8	10 7-8	10 3-8
Apr. 7	21	20 3-4	10 5-8	10 3-8
Apr. 8	20 3-4	20 1-4	10 7-8	10 1-2
Apr. 10	20 5-8	20 3-8	10 3-4	10 11-16

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Apr. 4	3.42	0.393 5-16	0.512
Apr. 5	3.42	0.393 1-4	0.512
Apr. 6	3.41 3-4	0.393 1-4	0.511 7-8
Apr. 7	3.41 7-8	0.393 3-16	0.511 5-8
Apr. 8	3.41 3-4	0.393 5-16	0.511 5-8
Apr. 10	3.41 1-2	0.393 7-16	0.511 5-8

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Apr. 4	4.12 1-2	0.0475	0.0618 1-4
Apr. 5	4.14 1-4	0.0475 3-4	0.0619 3-4
Apr. 6	4.13 1-4	0.0475	0.0618 3-4
Apr. 7	4.12 3-4	0.0474 3-4	0.0618
Apr. 8	4.12	0.0473 3-4	0.0616 3-4
Apr. 10	4.12	0.475	0.0617 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Apr. 4	0.2872	0.1686	0.2590
Apr. 5	0.2872	0.1689	0.2602
Apr. 6	0.2857	0.1688	0.2581
Apr. 7	0.2815 1-2	0.1685	0.2572
Apr. 8	0.2825 1-2	0.1683 1-2	0.2567
Apr. 10	0.2852 1-2	0.1684	0.2568

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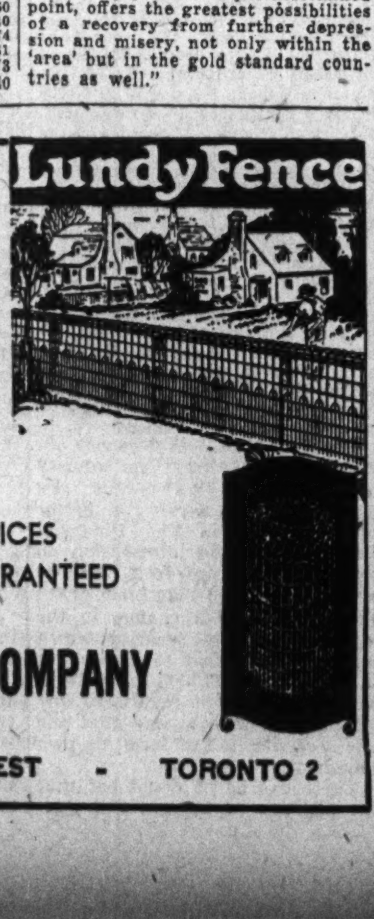

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British Economists Have Recovery Plan

J. M. Keynes, Sir Josiah Stamp and Sir Arthur Salter Advocate Government Loan-Expenditures—Balanced Budget Necessary at Outset

Three of Great Britain's leading economic thinkers, J. M. Keynes, Sir Josiah Stamp and Sir Arthur Salter, are practically in complete agreement on steps which the "old country" can take as "the means to recovery." Mr. Keynes has recently given his views in a series of four articles in the London Times, and Sir Josiah and Sir Arthur have expressed their agreement with his suggestions.

The Keynes-Stamp-Salter plan is to take advantage of the favorable internal and external confidence created by Britain's balanced budget, and her favorable low interest structure, to initiate a programme of Government loan-expenditure. Although it is thought by these men that any measure of recovery achieved by this plan would be slow, they believe that it is necessary for the Government to take this initiative rather than delay recovery by waiting for private business to act.

Balanced Budget is Root

The root of the plan is the confidence which has been created by British budget policy. The importance of this is chiefly psychological, in the opinion of Sir Josiah Stamp. The Times reports his views on this point as follows:

"In the establishment of the country's credit at home, and especially abroad, there were certain important psychological conventions which could not be defied with impunity, because experience had shown that their nonobservance led to great evils. Foreign countries distrusted a currency of a country that was living beyond its means and not balancing its budget. Their experience was that sooner or later it was tempted to get up to currency manoeuvres or borrowing of an inflationary character. Hence the importance of satisfying the current world conventions and ideas about soundness."

Mr. Keynes says that we stand at the parting of the ways. We must either expect the progressive breakdown of the existing structure of contracts and debts, accompanied by complete discredit of orthodox leaders of finance and Government with an unknown outcome, or we must find an effective means of raising world prices without much more delay. He prefers the latter, rather than allowing ourselves to encounter "ills . . . we know not of." His outline of "the Means to Recovery" has an optimistic tinge.

Reasons for Exenditure

The reasons of Keynes, Stamp and Salter for supposing a policy of Government loan-expenditure will provide the means to recovery, at least in Great Britain, may be summarized as follows:

1. Britain is in the depths of a depression in a world trade cycle.
2. Britain has gained confidence by her budget policy.
3. British credit is high.
4. Interest for short and long term is low in Great Britain.
5. Britain has large idle savings which are not being either spent or placed in long term investments.
6. Needed public work has been delayed for a year and a half because of general public feeling that economy was in the [illegible], confirmed by strong official pressure.
7. Britain can, as a result of the foregoing, afford to draw on the public confidence which has been created without endandering it.

Most of these reasons could not be applied to Canada's position.

Answer Objections

Mr. Keynes and Sir Arthur Salter have both given practically the same answer to the objection that a programme of public works between 1928 and 1931 was tried by the Labor Government in Great Britain without success. Mr. Keynes says that British credit was impaired, between 1928 and 1931, by a heavily unbalanced budget, which ultimately caused the restrictive measures of 1931. Since then Britain has had a balanced budget, but no loan-expenditures. He now suggests that the opportunity has arrived to try the loan-expenditures with the background of a satisfactory budget policy.

Sir Arthur Salter shows a definite difference between the British position in 1928 and at present. In 1928, he says, the country was in an upward movement with unemployment which could not be cured, but only temporarily relieved, by public work. Now, Britain is in the depths of a trough in the business cycle, for which the orthodox remedy is expansion of public work.

To the objection that public work would merely divert money which would be invested in private enterprises, Sir Arthur Salter replies that there are now large unutilized savings which are neither being spent nor applied to real investment.

International Note Issue

In addition to a programme of Government loan-expenditure in Great Britain, Mr. Keynes suggests that an international note issue of $5,000,000,000 be created. The object of this would be to relieve the anxieties of central banks, and to free their hands to promote loan-expenditure and thus raise prices and restore employment. These, he suggests, would be "gold" notes, with a face value based on the gold content of the United States dollar. He suggests that this note issue be distributed among 39 nations in proportion to their gold holdings of 1928, thus adding enormously to their reserves.

These notes would not be intended for circulation except between central banks, treasuries and for reserves against internal note issues. They would have to be accepted internationally as the equivalent of gold, although they would only be secured by gold bonds of the governments participating in the scheme, carrying nominal interest rates. These notes would not be operated as a permanent addition to the world's supply of international money, but could be released if prices are too low, as at present, and withdrawn if prices were rising too far.

This proposed note issue is recommended by Mr. Keynes for adoption at the world economic conference, but would appear likely to encounter some international disagreement. It aims at restoring prices to more equitable levels by international, controlled inflation, and would be subject to regulation by a central governing board.

Tax Remissions Suggested

A quicker and more promptly effective plan, Sir Basil Blackett thinks, would be to throw the budget out of balance by remitting taxes to the taxpayers. The essence of the Keynes plan, he says, is that trade activity should be restarted, employment increased and prices, in consequence, raised, by deliberate public spending, financed out of new borrowing. He suggests that a deficit, of, say, £75,000,000, created through lowering taxes, and financed by temporary borrowing, would produce the same results as Mr. Keynes' plan, with far less delay and far greater effectiveness than a programme of public loan-expenditure.

The Times makes a similar suggestion in a recent editorial. Of Mr. Keynes' proposals, it asks: "Is there any reason to suppose that if the forthcoming budget were constructed upon similar lines of combining remissions of taxation with retrenchment the results would be less satisfactory?"

Must Balance Budgets

Commenting on Mr. Keynes' suggestions, which were apparently concurred in by Sir Josiah Stamp, Sir Arthur Salter and other British economists, some time before their publication in The Times, that famous journal stated editorially:

"No such policy could be discussed if the budget had not been balanced, if the cost of unemployment were not met by taxation, and if sterling had not recovered—to an almost inconvenient degree—the confidence of the world."

The draft agenda for the world economic conference takes the same view. It states:

"International action, however indispensable, cannot restore a normal economic situation unless the proper internal measures have been taken. Each individual country must be prepared to take the necessary steps to achieve internal equilibrium in the following matters:

"1. Revenue and expenditure, not only of the state budget proper, but also of the budgets of public enterprises (railways, etc.) and of local authorities, should be balanced.

"2. It will be necessary to create and maintain healthy conditions in the internal money and capital market, and at all costs to avoid an inflationary increase of the note circulation in order to meet government deficits."

Ontario Securities Act To Stop Bad Practices

House-to-house canvassing by securities salesmen in Ontario will be eliminated under proposed amendments to the Ontario Securities Act now under consideration and which will be put through during the present session of the Ontario Legislature. The only exemption from this new clause in the act is in cases where Dominion, provincial or municipal bonds are being sold or bonds of the British Government.

Another clause which is aimed at irresponsible salesmen is that under which every transaction must be confirmed in writing within 24 hours. This will tend to prevent undue discrepancy between prices set by salesmen and the actual market for the security.

When the salesman is acting as an agent it is proposed that the agent's commission must be disclosed to his client. It is to be provided that no person selling securities shall charge more than a reasonable commission over a fair market price. The Ontario Securities Commission is to have full power in deciding what constitutes a fair commission.

The fourth addition to the present act will provide that when a new issue is offered to the public and the proceeds do not go into the treasury of the company this fact will be clearly printed on the statement confirming the sale. This clause will particularly affect mining stocks and will prevent the sale of promotion stock where the company derives no cash benefit.

N. B. TELEPHONE LOWERS DIVIDEND FOR THIRD TIME

Current Declaration Puts Stock on Basis of 4.1 Per Cent

From Our Own Correspondent

MONTREAL.—Directors of New Brunswick Telephone Co. have placed the common stock on a dividend basis of 4.1 per cent compared with a previous rate of 5 per cent with declaration of a quarterly dividend of 10¼ cents a share on the $5,285,880 of $10 par value common. This is the third reduction to be made since 1931 when payments of 8 per cent were made, a rate maintained since 1916. Previous to 1931, available records covering 24 years show the lowest annual dividend rate was 6 per cent in that period.

In 1932 earnings of New Brunswick Telephone were equal to 58 cents a share and dividend payments of 57½ cents left a surplus for the year of $1,983. A hint of further reductions was contained in the annual report. Lack of working capital has been apparent in the company's last two balance sheets. At the end of 1932 current liabilities exceeded current assets by $476,636; bills payable totalled $790,000.

An indication of the trend of the company's business last year is seen in the fact that toll business declined 22 per cent while stations dropped 8 per cent, a loss of 2,754 installations. At the year-end there were 29,861 telephones installed.

This Week in Wheat

From Our Own Correspondent

U. S. Figures Arouse Interest

WINNIPEG. — Publication on Monday of the United States Government crop report appeared to arouse the first important interest that has been displayed in markets abroad to the certainty of a poor winter wheat crop in the United States. The estimate of 343 million bushels for winter wheat, 130 million bushels less than the small production of last year, and 250 million bushels less than the five-year average should not have been surprising in view of all that was known of the growing crops condition, and its steady deterioration since the publication of somewhat higher private estimates a few weeks ago, but it evidently needed the official estimate to produce a reaction abroad.

As a result, there was buying for export account on a much broader scale than for weeks past, and business began to be brisk in the cash market as well as in futures. The resulting rise in Winnipeg prices was considered much healthier, being based on higher Liverpool prices and actual export sales than if it had merely been based on sympathy with the Chicago advance. For the immediate present sales are much more important than prices.

* * *

Hope Not Abandoned

THE long hoped for increase in weekly shipments of Canadian grain to overseas markets has so far failed to materialize, for with the falling off in shipments from the southern hemisphere, total shipments have dropped, instead of giving this country a chance to increase her exports. But hope of an upturn in export business has not yet been abandoned, for importing countries have been receiving grain at a rate 50 per cent higher than shipments. Last week, for example, when total world shipments fell to less than 10,000,000 bushels, stocks afloat decreased by 5,000,000 bushels. The latter are now 15,000,000 bushels less than the total of a few weeks ago. At 47,000,000 bushels they are 11,000,000 bushels less than a year ago, and are considered decidedly low for this time of year.

Canada's exports were only a little over 2,500,000, or slightly more than a quarter of the total. The Argentine has taken first place in putting grain afloat, being credited with nearly half of last week's total shipments. Australia, whose weekly shipments a short time ago were above 6,000,000, is now shipping less than Canada. This is taken as an indication that the rush of marketing in that country may be considered as over, and that Australian will be content to put her remaining supplies into consuming channels at a fairly moderate rate during the next nine months.

* * *

Vancouver Loses

CANADA in 1932 produced about 100,000,000 bushels of wheat more than the previous year, which meant that if the Canadian carryover was not to be increased this year, exports of about 300,000,000 bushels, or 100,000,000 bushels greater than the small level of the previous year, would be required. Roughly that is 2 million bushels a week more than the exports of the previous year, and up to a short time ago there seemed reasonable prospect of accomplishing this, as for the first 33 weeks of the year Canadian exports did amount to almost 66 million bushels more than during the previous year, or fully up to the required rate. It must be admitted that the export business now booked ahead does not indicate that a similar accomplishment is possible for the remainder of the season. But a re-survey of the situation can possibly be postponed to advantage until navigation reopens on the Great Lakes and out of Montreal, to see whether or not there has been an accumulation of demand that will enable Canada to ship large quantities.

The peak of shipments through Vancouver appears to have passed, and grain at that port is now worth slightly less than grain at the head of the lakes, indicating lack of demand for early orders. Since the expectation, or hope, of large shipments from Canada in the future is based on lack of grain for immediate requirements in importing countries, it is assumed that the bulk of exports for the remainder of the season will be from Atlantic ports, and that not even a cut in freight rates out of Vancouver is likely to restore the balance in favor of that port.

* * *

Price Spread Increases

THIS column has for some weeks past been pointing out the probability of United States prices pursuing a course of their own, responsive only to conditions in that country, and that such a course might not be parallel to movements in world markets. Prior to the banking holiday in the United States, Winnipeg and Chicago prices tended to be almost the same in cents per bushel, although the exchange differential actually made Canadian prices much lower. Since the reopening of banks and markets in that country Chicago prices have been steadily pulling away from Winnipeg.

Monday, of this week, however, was the first day on which Winnipeg completely ignored the Chicago movement. On that day there was a rise of a cent a bushel in Chicago, while the Winnipeg market closed unchanged. United States prices have long been off the export basis, and a rise in them cannot put that country more completely out of the export business than it already was. Nevertheless, price increases there may have an indirect influence on world markets, by making consumers abroad realize that surplus stocks of wheat in the United States might as well be forgotten for a considerable time as factors in the world market, and that the world's effective surplus is consequently much smaller than has been assumed.

Grain and Milling in Canada

Grain Trade Case Upset by Senate

But Constitutional Snag May Force Postponement of New Shipping Legislation

From Our Own Correspondent

OTTAWA—The unexpected emergency of constitutional difficulties caused the Senate Banking and Commerce committee, on Monday, to suspend consideration of the Canada Shipping legislation.

Unquestionably the whole bill has been placed in jeopardy although it is still possible that the sections dealing with shipping on the Great Lakes and with grain trans-shipment at Buffalo will be proceeded with this session as a special amendment to the existing statute.

Constitutional Problem

The constitutional difficulties have to do entirely with international ocean shipping and are the result of the extra-territorial jurisdiction conferred upon Canada by the Statute of Westminster (1931). In that year the British Merchant Shipping Act ceased to apply to Canadian ships when outside the three mile limit, and nothing in the proposed legislation fills this gap. Since 1931, the British statute has governed Canadian ships only because Canada desired this to be so. But it is obvious that the Canadian Parliament must now exercise its extra-territorial jurisdiction to enact laws to control Canadian shipping wherever they may go the seven seas over.

Not only does the proposed legislation fail to do this, but the Senate committee is not sufficiently acquainted with the problems involved to draft new legislation and, moreover, the committee is firmly of the view that this extra-territorial legislation should be uniform with similar legislation in Great Britain and the other Dominions to the largest possible extent.

For this reason the committee on Monday decided to suspend consideration of the bill and consult with the government and the legal experts.

Three Courses Open

Three courses are open and any one of them may be followed.

1. The committee may divide the present Canada Shipping Bill into three separate measures dealing, respectively, with international ocean shipping, salt water coasting shipping, and fresh water shipping. There being no constitutional difficulties with the last two, these may be proceeded with this session.

2. The committee may leave the bill as it stands and delay action until the session of 1934, meantime arranging for the re-drafting of the sections dealing with extra-territorial shipping.

3. The committee may drop the present bill but initiate an amendment to the existing shipping law restricting grain trans-shipment at Buffalo.

Senate Favors Change

Undoubtedly the Senate committee, after hearing a wealth of evidence, decided in favor of the proposed amendment of the Great Lakes coasting laws. The issues involved were recognized to be of paramount importance to the lake carriers and the western grain trade, as well as of national significance. The whole controversy boiled down to a very simple question which has not yet been grasped by western interests nor by Parliament as a whole.

Here are the facts.

The coasting laws, always, have reserved the trade between Canadian ports to Canadian ships. But the trade between a Canadian port and an American port, or vice versa, has been open to everyone.

In the past considerable volume of grain carried to Buffalo in American bottoms has been trans-shipped into either American or Canadian bottoms and carried forward to Montreal. The practice has been to treat this as two separate voyages, thereby allowing American boats to participate on either leg of the voyage. But under the proposed amendment it would be classed as a single voyage from the head of the lakes to Montreal and would be open only to Canadian ships.

Buffalo Key Point

Buffalo being a key point in the grain trade, anything that interferes with it vitally affects the eastbound movement of anywhere from 100,000 to 300,000 bushels of Canadian wheat per annum—depending upon the size of the crop. And since western grain exporters sell in world markets at prices fixed by world competition, any increase in the cost of transporting wheat to Europe must come out of the pockets of farmers, cannot be passed on to the ultimate consumer. With wheat at 50 cents per bushel at Fort William, any fractional increase in transportation cost, no matter how small, is a serious matter.

There are four possible routes of export for Canadian grain from the head of the lakes. Grain may be shipped to Buffalo and thence by water or rail to United States' Atlantic ports for export. Or it may come to Buffalo and then be diverted by water to Montreal for export. Or it may be shipped to Canadian eastern lake ports for carriage to Montreal, or to the Maritime Ports.

Where grain is transported by rail, the rates are fixed by the Railway Commission or the Interstate Commerce Commission and competition is not a factor. But on the water hauls, the rates are controlled entirely by competition, save for an authority (once used) in the Board of Grain Commissioners to fix maximum charges for Canadian ships.

Western Viewpoint

Right here the majority of western grain men enter a sharp protest against the new coasting laws. Speaking entirely of the upper lake traffic, they contend that any legislation which tends to place a larger share of grain in the exclusive possession of Canadian lake carriers must tend to curtail international shipping competition and make for firmer rates.

The shipping men answer that American competition frequently forces rates down to ruinous levels. If you presume a 6½ cent per bushel rate to be a fair one, it has happened in the past year that American bottoms hammered it down to 3½ cents. Having other cargo in the form of coal and ore which is always offering in the Duluth trade (from which U.S. coasting laws absolutely exclude Canadian ships) they can afford to drive the grain rates down and when thoroughly flattened out at impossibly low levels they usually retire temporarily from the trade, leaving Canadian ships to operate under heavy losses. But immediately rates rally, back they come to repeat the performance. Since Canadian lake carriers possess about 25 per cent more tonnage than would be necessary to move the largest crop western Canada could hope to produce, they argue that a larger share of the traffic cannot result in exorbitant rates.

To this the grain men answer, briefly and succinctly, that last summer and fall when rates were driven to 3½ cents per bushel and the American ships had fled the traffic, the Canadian carriers (despite their plethora of tonnage) organized an association which drove rates up steadily to 6½ cents, where the Grain Commission intervened.

Competitive Routes in East

Then there is the phase of the question from Buffalo eastward. It is the desire of all grain exporters to move unsold grain eastward in such a way as to leave the maximum number of export channels open. If grain comes east to Canadian lake ports, it has but two alternative channels of export—Montreal and the Maritime ports. These routes are summer and winter routes and do not compete.

But if grain goes to Buffalo, there remain two highly competitive outlets to the world. Grain may be sent down the Erie barge canal to New York.: With grain at Buffalo, the exporters can compel these two routes to compete against each other. Indeed, they do compete without compulsion. In this way an exporter may clip a fraction of a cent off transportation charges, may win an export order in world markets against foreign competitors.

The Canadian lake carriers did not answer this argument but Senate committee-men, chiefly Rt. Hon. Arthur Meighen, did answer it. And they answered it in a fashion not commonly grasped by grain men or by those opposing the new coasting laws.

Answer Double-Barrelled

The answer is double barrelled. First, it is argued that the eastern movement of grain must compete with the western movement of grain; that the Vancouver route is a factor controlling eastern rates, just as the Panama canal controls export rail rates across Canada. Therefore any combination of lake carriers that tried to boost rates unduly would only be killing the traffic and themselves to boot.

Second, it is argued that the grain men are quite wrong in assuming that the new coasting law will prevent Buffalo trans-shipments. Grain shipped from the head of the lakes to Buffalo in American bottoms, it is true, cannot be trans-shipped to Montreal under the proposed law. But if grain is carried to Buffalo in Canadian bottoms, the trans-shipment facilities are still open, provided Canadian ships are used on the second leg of the journey—which is true of 90 per cent of this business in normal times.

Trade Failed to Answer

The grain trade failed to answer this argument, beyond making a general statement that Canadian bottoms had never accepted grain cargo to Buffalo in the past. And it is right here that the case of the grain exporters collapsed. Had anyone been able to prove that the Buffalo trans-shipment facilities would have been totally denied the grain trade, then the proposed clause would have been stricken out.

And as an additional safeguard, the senators pointed out that the new law enables the government to suspend the coasting laws in whole or (and this is important) in part. Therefore if the clause dealing with Buffalo proves onerous to grain exporters, this one clause may be suspended without interfering with the laws as a whole.

Failure of western grain men to answer this argument accounts for the fact that the Senate will approve the new coasting laws, and if the government adopts the same attitude in the Commons, this will be the crux of the problem in the lower house.

INSURANCE CUT MAY GET GRAIN INTO PRESCOTT

Abolish Extra Premium Below L. Erie; Gain For Kingston Too

Prescott's 5,500,000-bushel grain elevator may see considerable activity this summer, due to abolition of the extra insurance premium formerly demanded on ships travelling through the Welland Canal to Kingston. Dredging operations on the St. Lawrence River, in both United States and Canadian channels, have now provided safe navigation between Lake Ontario and Prescott for vessels drawing up to 18 feet, six inches. Underwriters have, therefore, agreed to reduce last year's rate by one quarter of one per cent and to abolish the Welland Canal-Kingston extra premium.

Last year most of the larger lake freighters would not proceed beyond the eastern end of Lake Ontario, and discharged their cargoes at Kingston because they could not get reasonable hull insurance beyond that point. Kingston is also expected to benefit by the change of rates, at the expense of Port Colborne and Buffalo. Kingston and Prescott are expected to have an advantage over Oswego because transshipments at the latter point may have difficulty in establishing British identity to get the Imperial preference in the United Kingdom.

New Rates Given

The new premium payable on large "upper-lake" freighters proceeding to Prescott will be one-eighth of one per cent per trip on the value of such ship, with a maximum of one per cent (i.e. after eight trips have been made, no additional payment will be exacted). The underwriters demand, however, that $5,000 shall be deductable on all losses east of Kingston, and provide that only daylight navigation be permitted for these special craft between Kingston and Prescott. This rate will be equivalent to about one-fifth of a cent a bushel of grain. Last year's insurance premium, which was held responsible for the fact that none of the "upper-lake" vessels descended to discharge at Prescott, was three-eighths of one per cent a trip.

CHINA BECOMES ONE OF LARGEST WHEAT BUYERS

Imported 33,000,000 Bus. in 1932; Expected to Continue

China has become one of the largest wheat importing countries of the world. In 1932 some 33 million bushels of wheat were imported with a value, in gold, of over $17,000,000. This compares with imports in 1931 of 50 million bushels valued at almost $30,000,000 in gold. Opinion of the trade in Shanghai is that China's wheat purchases in 1933 will be comparable with those for 1932, although weather conditions are reported to have been favorable for the domestic crop, according to the Canadian Trade Commissioner at Shanghai.

Wheat ranks fourth in China's imports, being exceeded only by raw cotton, rice and petroleum products.

Features in 1932

Important features of the trade during 1932 were:

1. The adverse effect on buying due to the Sino-Japanese hostilities at Shanghai.
2. Completion of United States wheat loan shipments.
3. Prolonged but unsuccessful negotiations for another similar loan.
4. Importation of Argentine wheat for the first time.
5. Development of Teintsin as an important buying centre.
6. Australia's continued dominance in the market.
7. Establishment of offices in Shanghai by two world wide wheat marketing firms.

The adverse effect of the armed conflict at Shanghai on Chinese wheat purchases was due to resultant financial paralysis. The negotiations for another U. S. wheat loan resulted in an unwillingness to buy on the part of millers.

Marketing Changed

Wheat is now being marketed in China in much the same way as in Europe. Instead of selling from their North American or Australian offices on an f.o.b. or c.i.f. basis, the two firms mentioned above are selling direct to millers on an arrived basis. This eliminates the confirmed irrevocable letter of credit which was formerly required of Chinese buyers.

The following table shows the source of supply of China's wheat imports in the last 11 years:

Total Imports of Wheat Into China and Chief Sources of Supply

Year	Bus. 000's	Canada %	U.S. %	Aust. %
1922	1,931	0.9	91.7	7.3
1923	5,761	11.5	77.5	11.0
1924	12,221	39.8	38.8	21.3
1925	1,725	82.3	14.3	...
1926	9,227	74.0	15.1	10.7
1927	3,753	77.6	22.4	...
1928	2,006	87.5	12.5	...
1929	12,574	74.9	7.3	17.6
1930	6,134	35.0	20.0	45.0
1931	50,619	14.5	18.0	65.3
1932	33,522	18.1	20.0	61.2

(Canada, U.S. and Aust. columns: Per cent of Total)

Canada's Shipments Down

Canada's shipments of wheat to China dropped from 220,000 short tons in 1931 to 182,000 in 1932, but her proportion of China's total imports increased as the table shows. One criticism by Shanghai importers is that Canadian shippers refuse to sell freely. They point out that Canada's prices have fallen as have others, but that they have continually lagged. As a result Chinese buyers claim that they have placed business elsewhere before Canadian shippers dropped their price.

Argentine shipments of wheat to China were less than one per cent of the total in 1932, but over 2,600,000 bushels have already been sold to China in 1933. Russia is not considered likely to become a factor of importance in the Chinese wheat market.

Winnipeg Grain Prices

Week to April 11

Crop year from Aug. 1, 1932 High	Crop year from Aug. 1, 1932 Low		Open Apr. 5	High for week	Low for week	Close Apr. 11
		Wheat				
.67⅝	.40½	May	.50⅝	.53	.50⅝	.52⅞
.56¼	.41⅝	July	.51⅞	.54⅛	.51⅛	.54
.57⅞	.46⅝	October	.53⅝	.56	.53⅝	.55¾
		Oats				
.29½	.21⅛	May	.24⅛	.25⅜	.24⅛	.24⅞
.26⅜	.21½	July	.24⅝	.25⅝	.24⅛	.25
.25¾	.21⅞	October	.24¾	.25⅛	.23⅞	.24⅞
		Barley				
.38½	.26⅛	May	.30⅛	.31¾	.30⅛	.31⅛
.35¾	.26	July	.30⅝	.32⅝	.30⅛	.32¼
.32⅞	.27¼	October	.31⅛	.32⅞	.31	.32¾
		Flax				
.94	.71¼	May	.79⅝	.83½	.79⅛	.83¼
.85½	.71⅝	July	.82	.84⅛	.81⅝	.84¼
.88	.76	October	.84½	.87	.84¼	.86⅝
		Rye				
.42⅛	.30¼	May	.36⅝	.38⅛	.36⅝	.38
.39⅞	.31	July	.37	.39½	.37	.38¾
.41⅝	.34	October	.38⅛	.40⅝	.38⅛	.40⅝

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Regulations Set Forth For Income Tax Returns

Individual and Corporation Income Returns Must be Made by April 30 — Some Changes Noted

With the new schedules of income tax announced this week at Ottawa, the attention of trustees, employers, corporations and individuals is now centred on the making of returns as required annually by the federal government at Ottawa.

Corporation returns (unless the corporation's fiscal year ends at a period other than the fiscal year) are required April 30, as are also the returns of individuals and family corporations.

A bill now before parliament which would require the filing of returns one month earlier has not yet been passed and will not be applicable to this year's returns.

Complete Regulations

We are indebted to the National Revenue Review for the following statement of the present law regarding filing of returns, which is reprinted in full for the benefit of readers of The Financial Post.

Individual Returns

The returns of income of individuals for 1932 are due to be filed on or before April 30, 1933, with the inspector of income tax in whose district the individual is resident or carrying on business. The appropriate forms are:

Individuals. (T-1) — For individuals other than farmers or ranchers. (T1-A)—For farmers and ranchers.

As in the past the taxpayer must estimate his own tax when filing the return. The estimated tax is due April 30, 1933, but if the taxpayer prefers he may pay one-quarter of such estimated tax on that date, and the balance with interest as in the Act provided by three equal bi-monthly payments thereafter on June 30, August 31 and October 31, 1933.

The penalty for failure to file the return on or before April 30, 1933, is five per cent of the amount of the tax, with a maximum penalty of $500.

Corporation Returns

Corporations—So far as a corporation is concerned, in the past it was required to file its return of income on the same date as an individual, namely on April 30, but by an amendment to the Act applicable to the taxation year 1932 and subsequent years a corporation must file its return within four months from the close of its fiscal year. Thus, by way of illustration, a company with a fiscal year ending November 30, 1932, should have filed its return on or before March 31, 1933.

T-2 is the appropriate form to be filed.

This form must be filed in duplicate with the inspector of income tax in whose district the head office of the company is situated, as stated, within four months from the close of its fiscal year. The corporation must estimate and pay the tax at the same time, though it may take advantage of the same method of payment by installments as in the case of an individual except that the bi-monthly payments are due commencing two months after the due date for filing the return.

The penalty for late filing of the return is five per cent of the tax, with a maximum penalty of $500.

Family Corporations

Family Corporations—It should be observed that the 1932 taxation period is the last period in respect of which election by shareholders to be dealt with as a partnership under the family corporation provisions of the act can be made, inasmuch as by the 1932 amendments to the act they were repealed.

The election for the taxation year 1932 must be made within thirty days after the date on which the return of income of the corporation is due to be made, i.e., four months after the close of the fiscal year.

Exemptions and Rates of Tax. Individuals—The exemptions and rates of tax are set out fully on the Forms T-1 and T1-A. It is to be observed that the surtax on corporation incomes in excess of $5,000 has been removed.

Corporations — The statutory exemption of $2,000 has been removed, and the tax is 12½ per cent on the taxable income. When a corporation elects to file a consolidated return, including subsidiaries, the rate is 13½ per cent.

These are the rates that are presently provided by the new federal budget.

Omitted Income—Particular attention is drawn to the amendment of 1932 which provides that if any person omits to declare any dividend, rental, interest, royalties or other like income, and such income is subsequently ascertained to have in fact been received by the taxpayer, such person may be assessed as if double the income so omitted from the return had been received.

The individual income tax forms have been designed to draw particular attention to this, and all persons will need to be particularly careful in this regard.

U. S. Creditors and Shareholders—Corporations should note carefully that they must deduct five per cent from dividend and interest payments made to Canadian security holders in a currency on which the holder gets an exchange premium. This does not apply on 1932 payments, but came into force on April 1, 1933. Rents and royalties paid by Canadian debtors to non-residents of Canada must have 12½ per cent deducted at the source.

FILM PRODUCERS CONTESTING PLAN TO TAX ROYALTIES

Motion picture producers in New York and representatives in Canada have been having meetings and interviewing officials at Ottawa over the reported intention of the Dominion Government to collect a 12½ per cent tax on royalties on film rentals.

Just how such a tax could be applied is not known. On razor blades sold in Canada the Gillette Co. pays 12½ per cent. For instance, the company is supposed to get a royalty of one cent a blade and it would pay the Government on such a basis 12½ per cent of that cent. The Government hopes to get the same return from film rentals.

The Northern Electric Co. leases for a period of years nearly all the sound equipment used in Canadian theatres, it is said. That situation has been canvassed by Ottawa officials.

Motion picture producers state that a new film tax would be serious. In the United States and Canada many theatres have had to be closed because of low patronage and high taxes. Films are sent to exhibitors not at a fixed charge at all but at a percentage of gross receipts taken in on each film. It is therefore claimed that a royalty is not taken because a fixed price is not paid for any picture by Canadian companies. The price to be paid depends on revenue that nobody ahead of time can assess.

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Mimeographed and bound verbatim reports of the addresses delivered by these three distinguished gentlemen, in Massey Hall, Toronto, March 9, 1933, are now available.

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153 University Ave., Toronto, Ont.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING APRIL 10

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Apr. 8		Sales	Close Apr. 3 (or last)	Week Ending Apr. 10 High	Low	Close
				A					
.50	.12	.	...	Abitibi	5	.15	.15	.15	.15
2½	1	.	...	Do. pref. 6%	25	2	1½	1	1
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
x5	4½	.	...	Agnew Surp.	....	..	..	..	..
60	60	7	...	Do. pref.	....	60	..	..	..
4½	3½	.	...	Alta. Pac. Gr.	150	4	4½	4½	4½
25	20	.	...	Do. pref.	10	20	20	20	20
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
5	3	.	...	Do. pref.	5	3	5	5	5
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.25	.15	.	...	Asbestos	....	.25	..	..	..
.60	.50	.	...	Do. pref.	....	.50	..	..	..
6	3½	.	...	Assoc. Brew.	125	4	6	3½	3½
72	65	7	10.8	Do. pref.	....	65	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
130	128	10	7.8	Bk. Can. Nat.	....	128	..	..	..
189	158	10	6.3	Bk. Montreal	297	160	162	158	159
265	239	14	5.8	Bk. N. Scotia	267	240	242	239	241
172	150	10	6.5	Bk. Toronto	6	155	154	154	154
x10½	10½	.	...	Barcelona	....	..	..	..	..
2½	1	.	...	Bathurst Pr.	120	1½	1½	1½	1½
x1½	½	.	...	Do. (B)	....	..	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
4	3	.	...	Beath & Sons	....	3	..	..	..
5	3½	.	...	Beatty Bros. A	....	4½	..	..	..
57	56	6	10.7	Do. pref.	66	56	56	56	56
1.50	.70	.	...	Beauharnois	4980	.75	.80	.75	.80
x63	60	4	...	Belding Cort.	....	..	..	..	..
89	89	7	7.9	Do. pref.	....	89	..	..	..
100	80	6	7.4	Bell Telephone	1577	81½	83	80	83
3½	3½	.	...	Biltmore Hats	....	3½	..	..	..
65	62	7	11.3	Do. pref.	....	62	..	..	..
x4	1½	.	...	Bissell, T. E.	....	..	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
1	1	.	...	Blue Ribbon	74	..	1	1	1
15	10	2	15.4	Do. pref.	13	15	15	13	13
20	18½	2	10.8	Brant. Cd. pf.	....	18½	..	..	..
10	7	.	...	Brazilian Tr.	8589	7⅞	8½	7⅞	8½
.85	.55	.	...	Brew. & Distil.	....	.85	..	..	..
1½	½	.	...	Brewing Corp.	85	½	½	½	½
6½	3	.	...	Do. pref.	460	4	5	4	4½
8½	7½	80c	10	Brit. Amer. Oil	2366	8	8	7¾	7¾
1½	1	.	...	B.C. Packers	375	1½	1½	1	1½
12½	6	.	...	Do. pref.	25	10½	10½	10½	10½
17½	14	2	14.1	B. C. Power A	4315	15	14½	14½	14½
4½	3	.	...	Do. (B)	85	3½	3½	3½	3½
4½	3	.	...	Bruck S. Mills	....	3	..	..	..
12½	10½	1	9.5	Building Prod.	....	10½	..	..	..
28	20	2	8.5	Burt, F. N.	20	21	23½	23½	23½
				C					
x125	120	6	...	Calgary Pr.	....	..	..	..	..
1½	1½	.	...	Canada Bread	....	1½	..	..	..
68	40	4	10	Do. pref. A.	....	40	..	..	..
10	10	.	...	Do. pref. B.	....	10	..	..	..
7½	5½	60c	10.4	Canada Bud	360	5½	5½	5½	5½
3½	2½	.	...	Canada Cement	878	2½	2½	2½	2½
20½	12	.	...	Do. pref.	185	15½	14½	12	13
b11½	7½	1	8.5	Canada Dry	6107	10½	11½	10	11½
4	2	.	...	Can. Forg. (A)	....	4	..	..	..
x7½	2	.	...	Do. (B)	....	..	..	..	..
x15	15	.	...	Canada Iron	....	..	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
425	425	20	4.7	Canada Life	....	425	..	..	..
16	13½	1.50	9.5	Can. Malting	1552	15	16	14½	16
13	12	80c	6.7	Can. Nor. Pr.	....	12	..	..	..
75	65	7	9.3	Do. pref.	43	75	75	75	75
†6	½	.	...	Can. Paving	....	..	..	..	..
10	4	.	...	Do. pref.	....	4	..	..	..
153	120	10	8.2	Can. Perman.	25	122	122	121	121
x1.00	.50	.	...	Can. Pr. & Pa.	....	..	..	..	..
1½	1½	.	...	Can. Steamsh's	....	1½	..	..	..
4	2	.	...	Do. pref.	178	2	2½	2	2
15½	13½	1.60	10.8	Can. Vinegars	70	14½	14½	14½	14½
x55	28½	.	...	Can. W. Cable	....	..	..	..	..
8½	7	.	...	Do. (B)	....	7	..	..	..
x1½	1½	.	...	Can. Bakeries	....	..	..	..	..
5	5	.	...	Do. pref.	....	5	..	..	..
140	123	10	8	Can. Bk. Com.	187	124½	125	123	125
14½	10	60c	6	Can. Bronze	5	10	10	10	10
81	78½	7	8.7	Do. pref.	....	80	..	..	..
3½	2½	.	...	Can. Canners	....	3	..	..	..
55	48	6	12.5	Do. 1st pfd.	5	50	48	48	48
5½	3½	20c	5	Do. 2nd pfd.	40	4½	4	3½	3½
4½	3	.	...	Can. Car & F'y	850	3½	3½	3	3½
12	9½	1.75	17.7	Do. pref.	100	10	10	9½	9½
9½	6½	.	...	Can. Celanese	....	7	..	..	..
84	70	7	9.5	Do. pref.	30	72½	73½	73½	73½
16	8	2	25	Can. Convert.	....	8	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
47	47	6	12.8	Do. pref.	....	47	..	..	..
13½	10	1	...	Can. Dredge	65	11½	12	11	12
†92	92	7	...	Do. pref.	....	..	..	..	..
x68	60	6	...	Can. Fairb. pf.	....	..	..	..	..
2½	2½	.	...	Can. For. Inv.	....	2½	..	..	..
35	35	2½	...	Do. pref.	....	35	..	..	..
100	100	4	4	Can. Gen. Elec.	....	100	..	..	..
56½	50	3.50	6.7	Do. pref.	85	52	53	52	53
x3½	3½	.	...	Can. G. Inv. T.	....	..	..	..	..
41	34	6	15.6	Can. Hyd. E. p	119	39	39	38	38
2½	1½	.	...	Can. Ind. Alc.	445	1½	1½	1½	1½
1.75	.90	.	...	Do. (B)	....	.90	..	..	..
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
x21	15	1	...	Can. Lt. & Pr.	....	..	..	..	..
x1½	1	.	...	Can. Locomo.	....	..	..	..	..
‡25	5	.	...	Do. pref.	....	..	..	..	..
b1½	1½	.	...	Can. Marconi	1200	1½	1½	1	1
10	6½	56c	7.4	Canadian Oil	....	6½	..	..	..
96	90	8	8.9	Do. pref.	....	90	..	..	..
16½	9	.	...	Can. Pacific	10176	9½	10½	9	10
1	1	.	...	Can. Vickers	....	1	..	..	..
5	5	.	...	Do. pref.	....	5	..	..	..
2½	1½	20c	10	Can. Wineries	....	2	..	..	..
4½	3	.	...	Can. Wire Box	160	4	4	4	4
8	5½	.	...	Catelli Mac. A.	....	8	..	..	..
†5	5	.	...	Do. (B)	....	..	..	..	..
†301	290	8	...	Cent. Can. L'n	....	..	..	..	..
.90	.50	.	...	Chem. Research	100	.50	.53	.53	.53
.80	.20	.	...	Claude Neon	....	.20	..	..	..
5½	3	.	...	Cockshutt Plow	450	4½	4½	4½	4½
½	½	.	...	Comm. Alcohol	....	½	..	..	..
1	1	.	...	Conduits	....	1	..	..	..
†94	84	.	...	Do. pref.	....	..	..	..	..
4½	2	.	...	Cons. Bakeries	55	4	4	3½	4
1½	½	.	...	Cons. Indust.	....	½	..	..	..
x4	4	.	...	Cons. Paper	....	..	..	..	..
5	3	.	...	Cons. Press	50	4	3½	3	3
x35	30	.	...	Cons. Sand. p.	....	..	..	..	..
72½	54	10%▲	...	Cons. Smelters	4610	60½	67½	58	67½
181	170	10	5.6	Consumers' Gas	42	180	178½	178	178
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p.	....	..	..	..	..
1½	1½	.	...	Cosgrave Brew.	....	1½	..	..	..
3	2	.	...	Cosmos Imp.	....	2	..	..	..
47½	40	3.50	8.7	Do. pref.	....	40	..	..	..
3½	1½	.	...	Crown Dom. Oil	....	1½	..	..	..
20	12	.	...	Crow's N. Coal	66	20	14	12	12
				D					
1½	1½	.	...	David & Fre. B.	....	1½	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
x15	10	.	...	Do. pref.	....	..	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
†10	10	.	...	Do. pref.	....	..	..	..	..
5½	4	.	...	Distill-Seagram	370	4½	4½	4½	4½
5	5	.	...	Dodge (A) pf.	....	5	..	..	..
x2	1½	.	...	Do. (B)	....	..	..	..	..
148	127	10	7.7	Dom. Bank	15	130	130	127	129
18	12½	2	13.1	Dom. Bridge	630	15	15½	15	15
x4	4	.	...	Dom. Coal	....	..	..	..	..
12	8	.	...	Dom. Engineer.	27	9	10	8	8
58	35	5	12.6	Dom. Glass	60	40	40	36	38
102	98	7	7.1	Do. pref.	3	100	98	98	98
2½	1	.	...	Dom. Motors	....	1	..	..	..
2	1½	.	...	Dom. Pr. Stubs	....	2	..	..	..
1.12	.50	.	...	Dom. St. & C B	65	.70	.70	.65	.65
17½	12½	1.20	7.6	Dom. Stores	1331	14½	17	14	17
1½	1	.	...	Dom. Tar & Ch.	....	1	..	..	..
10	5	.	...	Do. pref.	125	7½	10	7½	10
52½	40	4	10	Dom. Textile	40	42	40	40	40
97½	95	7	7.2	Do. pref.	....	97½	..	..	..
†12	10	.	...	Donnacona	....	..	..	..	..
1½	½	.	...	Dryden Paper	....	1	..	..	..
1	1	.	...	Duff. Paving	....	1	..	..	..
10	5	.	...	Do. pref.	....	8	..	..	..
				E					
x30	8	.	...	East. Koot. Pr.	....	..	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
5	2	.	...	East. Dairies	15	2½	2½	2	2
x9½	9½	.	...	East. Steel	....	..	..	..	..
x74	74	7	...	Do. pref.	....	..	..	..	..
‡34	34	2	...	East. Theatres	....	..	..	..	..
†85	80	7	...	Do. pref.	....	..	..	..	..
x1	1	.	...	Easy Washer	....	..	..	..	..
8	7	75c	9.4	Economic Inv.	....	8	..	..	..
†15	15	.	...	Edmonton D'y	....	..	..	..	..
†80	78½	6.50	...	Do. pref.	....	..	..	..	..
½	½	.	...	Enam. & Heat.	....	½	..	..	..
8	5	.	...	Eng. Electric	....	8	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
				F					
4	4	.	...	Fam. Players	....	4	..	..	..
x10	7½	.	...	Do. Vot. Tr.	....	..	..	..	..
10	8½	1	11.1	Fanny Farmer	....	9	..	..	..
28	23	2.40	8.7	Do. pref.	106	28	27½	27	27½
†83½	75	.	...	Firstbrook Box	....	..	..	..	..
8	6	.	...	Ford Motors A	1101	6½	6⅝	6	6⅝
1½	1½	.	...	For. Pr. Secs.	....	1½	..	..	..
x9	4	.	...	Foundation Co.	....	..	..	..	..
.30	.25	.	...	Fraser Cos.	....	.30	..	..	..
x50	50	.	...	Front. Brew.	....	..	..	..	..
x50	50	.	...	Do. pref.	....	..	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
x37	35	.	...	Do. pref.	....	..	..	..	..
				G					
1.12	.70	.	...	Gen. St. Wares	125	1.00	.80	.80	.80
67½	40	2.40	5.3	Goodyear Tire	135	50	45	44½	45
91	80	7	8.6	Do. pref.	201	82½	82½	80	81½
†93½	93½	.	...	Gould Pumps, p	....	..	..	..	..
½	½	.	...	Gt. W. Saddlery	....	½	..	..	..
x8	5	.	...	Do. pref.	....	..	..	..	..
7½	4	.	...	Gurd, Chas.	65	5	5	5	5
x106	100	7	...	Do. pref.	....	..	..	..	..
2½	1½	.	...	Gypsum, Lime.	250	1½	1½	1½	1½
				H					
3½	2½	.	...	Ham. Bridge	....	3	..	..	..
x60	44½	.	...	Do. pref.	....	..	..	..	..
5½	5	.	...	Ham. Cot. pf.	....	5	..	..	..
2½	2	.	...	Ham. U. Theat.	....	2	..	..	..
x53	50	7	...	Do. pref.	....	..	..	..	..
1	½	.	...	Hayes Wheel	75	½	1	1	1
x4	[illegible]	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
3	2	.	...	Hinde & Dauch	....	2	..	..	..
†75	75	.	...	Holt Renfrew	....	..	..	..	..
†96½	90	.	...	Do. pref.	....	..	..	..	..
[illegible]	[illegible]	.	...	Honey Dew	....	½	..	..	..
7	5	.	...	Do. pref.	....	6	..	..	..
2½	1½	.	...	H. Smith Pap.	20	1½	1½	1½	1½
12	8	.	...	Do. pref.	....	8	..	..	..
17	14½	2	12.7	Humberstone S	....	15½	..	..	..
8	4½	50c	11.1	Hunt (A)	....	4½	..	..	..
5	5	50c	10	Do. (B)	....	5	..	..	..
120	80	7	8.2	Huron & E. Mt.	....	85	..	..	..
18	14	.	...	Do. 20% pd.	....	16	..	..	..
6	6	.	...	Hydro Electric	....	6	..	..	..
				I					
158	123	10	7.9	Imperial Bank	51	129	128	123	124½
9½	7½	50c	6.2	Imperial Oil	18564	8	8½	7½	7½
8½	7	35c*	4.2	Imperial Tob.	4881	8	8½	7½	8½
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
x6	6	.	...	Int. Hyd. E. A.	....	..	..	..	..
102	98	7	6.9	Inter. Mill. pf.	10	100	102	102	102
85½	84	6	7	Do. Series A.	....	85½	..	..	..
11.30	8.15	.	...	Inter. Nickel	80189	9.62	11.30	9.62	11.30
x4	4	.	...	Inter. Paints	....	..	..	..	..
b1½	¾	.	...	Int. Pa. & Pr. A	....	..	..	..	..
b1½	½	.	...	Do. (B)	200	¾	¾	¾	¾
b½	¼	.	...	Do. (C)	100	½	½	½	½
b4½	2	.	...	Do. pref.	1700	3	2½	2	2½
12½	10½	1	8.9	Inter. Pete.	2838	11	11½	10½	11½
x2½	2½	.	...	Inter. Power	....	..	..	..	..
10	10	.	...	Do. pref.	20	..	10	10	10
7	6	.	...	Int. Util. (A)	100	6½	6	6	6
1½	1	.	...	Do. (B)	....	1½	..	..	..
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
75	70	7	10	Do. pref.	16	75	75	70	70
				K					
1½	½	.	...	Kelvinator	....	½	..	..	..
57	57	7	12.3	Do. pref.	....	57	..	..	..
				L					
6	5	.	...	Lake of Woods	60	5½	5½	5½	5½
34	30	.	...	Do. pref.	10	30	30	30	30
80	80	6	7.5	Landed Bank	....	80	..	..	..
40½	36	3	7.9	Laura Secord	65	36	39	36	38
1½	1½	.	...	Lindsay, C. W.	....	1½	..	..	..
25	25	.	...	Do. pref.	30	25	25	25	25
12	10½	80c	7.2	Loblaw (A)	590	10½	11½	10½	11½
11½	10½	80c	7.8	Do. (B)	260	10½	10½	10½	10½
‡2½	2½	.	...	Loew's, London	....	..	..	..	..
				M					
†25	19	.	...	MacKin. Steel	....	..	..	..	..
†95	90	3.50	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
x5	2	.	...	Maple Leaf	....	..	..	..	..
6½	5	.	...	Do. pref.	110	6½	6	5½	5½
6	6	.	...	Marcus Loew's	....	6	..	..	..
35	35	.	...	Do. pref.	....	35	..	..	..
3½	2½	.	...	Massey-Harris	1115	2½	3½	2½	3
9	7	60c	7.7	McColl Fron.	359	7½	8	7½	7½
61	54½	6	11	Do. pref.	36	55	55	54½	55
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡35	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
4½	2	.	...	Mitchell, Robt.	....	2½	..	..	..
†1	1	.	...	Monarch Knit.	....	..	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
x75	45	.	...	Montreal Cot.	....	..	..	..	..
x75	65	7	...	Do. pref.	....	..	..	..	..
½	½	.	...	Montreal Exhib	....	..	..	..	..
x11	5	.	...	Mont. Is. Pr.	....	1½	..	..	..
32½	27	1.50	5.5	Mont. L. & Pr.	3728	27½	28	27	27
42	42	3+.25	7.7	Montreal Loan	21	..	42	42	42
43	42	3.20	7.6	Montreal Tele.	9	43	42	42	42
100	70	9	12.7	Montreal Tram.	62	78	76	70	70
7	4	.	...	Moore Corp.	30	5½	5½	5½	5½
79½	67	7	10.4	Do. pref. (A)	....	67	..	..	..
86½	70	7	10	Do. pref. (B)	5	80	70	70	70
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
1	½	.	...	Muirheads	75	½	1	1	1
7	5	.	...	Do. pref.	....	7	..	..	..
				N					
16½	14½	1.60	10	Nat. Breweries	1231	15	16	14½	15½
29½	27	1.75	6.2	Do. pref.	27	28	28	28	28
x½	½	.	...	Nat. Brick	....	..	..	..	..
x3	3	.	...	Do. pref.	....	..	..	..	..
16	15	2.40	16	N. Sew. Pipe A	....	15	..	..	..
9	5	.	...	Nat. Steel Car.	335	6	5½	5½	5½
212	197½	10	5.1	National Tr.	2	200	197½	197½	197½
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
x20	16	.	...	Do. pref.	....	..	..	..	..
1.50	.75	.	...	North Star Oil	200	1.00	.75	.75	.75
3.00	1.75	35c	...	Do. pref.	80	3.00	1.75	1.75	1.75
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
				O					
116	100	8	7.1	Ogilvie Flour	22	115	115	112	115
115	108	7	6.3	Do. pref.	....	111	..	..	..
5½	4	.	...	Ont. Eq. 10% p	....	4	..	..	..
105	104	6	5.8	Ontario Loan	....	104	..	..	..
x7	5	.	...	Ont. Silknit	....	..	..	..	..
†16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	.	...	Do. pref.	....	..	..	..	..
½	½	.	...	Orange Crush	....	½	..	..	..
x48	18	.	...	Do. (A)	....	..	..	..	..
x½	½	.	...	Do. (B)	....	..	..	..	..
88	84	6	6.8	Ott. L. H. & P.	....	84	..	..	..
90	84	6.50	7.7	Do. pref.	....	84	..	..	..
8	5	.	...	Ott. Traction	....	5	..	..	..
				P					
53½	40	3	7.3	Page Hersey	100	44	43	41	41½
b2½	½	.	...	Paramount	....	½	..	..	..
x20	20	.	...	Paton Mfg.	....	..	..	..	..
†94	94	7	...	Do. pref.	....	..	..	..	..
.25	.20	.	...	Pelissiers	50	.25	.20	.20	.20
†30	25	.	...	Do. pref.	....	..	..	..	..
28	20	3	12.5	Penmans	11	25	25	24	25
75	65	6	9.1	Do. pref.	....	60	..	..	..
9½	8	.	...	Photo Eng.	70	8	8½	8	8½
†70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b7½	4	.	...	Postal Tele. p.	....	..	..	..	..
8½	6	.	...	Power Corp.	588	6½	6½	6½	6½
38½	28½	6	...	Do. pref.	70	38½	30½	28½	28½
1	1	.	...	Prairie C. Oil	....	1	..	..	..
16	8	.	...	Pressed Metals	20	8	8	8	8
4½	2	.	...	Price Bros.	....	2	..	..	..
x2	2	.	...	Do. pref.	....	..	..	..	..
				Q					
14	11	1	9.1	Quebec Power	37	11½	11½	11	11½
				R					
95	85	7	8.2	Real Estate L'n	....	85	..	..	..
.65	.50	.	...	Regent Knit.	....	.50	..	..	..
x10	5½	.	...	Reliance Grain	....	..	..	..	..
8½	7	1	13.3	River. S. Mills	....	7½	..	..	..
5	5	1	20	Robinson Cone	....	5	..	..	..
1	½	.	...	Rogers Majes.	....	½	..	..	..
143	126½	10	7.9	Royal Bank	224	128	128½	126½	127½
†84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
x33	32½	.	...	Russell Motor	....	..	..	..	..
45	30	7	...	Do. pref.	....	30	..	..	..
				S					
x4	3	.	...	Sarnia Br. A.	....	..	..	..	..
x1	1	.	...	Do. (B)	....	..	..	..	..
3½	2½	.	...	Serv. Station	....	2½	..	..	..
25	20	.	...	Do. pref.	....	21	..	..	..
13½	9½	50c	4.6	Shawinigan	2741	10	10½	10	10½
8	4	.	...	Sher.-Wms.	20	4½	5	4½	5
60	39	.	...	Do. pref.	30	40	39	39	39
x17	5	.	...	Simon & Son	....	..	..	..	..
x80	60	.	...	Do. pref.	....	..	..	..	..
12	6	.	...	Simpson, Ltd.	86	7	7½	6½	7½
†44½	36	.	...	Do. (A)	....	..	..	..	..
x9	9	.	...	Do. (B)	....	..	..	..	..
74	46½	6	12.9	Simpson, R., p.	....	46½	..	..	..
16	12	1	8	So. Can. Pr.	25	12½	12½	12	12
79	68	6	8.6	Do. pref.	16	70	71	70	70
.35	.15	.	...	St. Law. Corp.	15	.20	.20	.20	.20
1½	1	.	...	Do. (A)	....	1½	..	..	..
15	15	1.50	10	St. Law. Flour	....	15	..	..	..
x99½	70	7	...	Do. pref.	....	..	..	..	..
4½	2½	.	...	St. Law. Pa. p	....	..	..	..	..
x6	4	50c	...	Stand. Chem.	30	3½	3½	3	3
1	½	.	...	St. Pav. & Mat.	....	½	..	..	..
x46	25	.	...	Do. pref.	....	..	..	..	..
2½	1	.	...	Stand. Steel	....	1½	..	..	..
†35	30	.	...	Do. pref.	....	..	..	..	..
17½	14½	1.20	8	Steel of Can.	161	15½	15½	15	15½
27	24½	1.75	6.5	Do. pref.	235	26	27	26½	27
x1½	½	.	...	Sterling Coal	....	..	..	..	..
x300	200	.	...	Sun Life Ass.	....	290	..	..	..
14	11	1	8.3	Sup. Pete. ord.	180	11	12	12	12
13	11½	1	8.5	Do. com.	....	11½	..	..	..
97	93	7	7.2	Do. pref.	10	96	97	97	97
				T					
40	40	.	...	Tamblyn	....	40	..	..	..
88	82	7	8.4	Do. pref.	....	83	..	..	..
10	10	■87½c	...	Thayers, pf.	50	10	10	10	10
3	1	.	...	Tip Top Tailors	....	3	..	..	..
35	35	.	...	Do. pref.	....	35	..	..	..
†22	10	.	...	Tooke Bros.	....	..	..	..	..
15	15	.	...	Do. pref.	....	15	..	..	..
15	12½	1	...	Tor. Elevators	125	13	15	15	15
167	138	8	5.5	Tor. Gen. Tr.	....	145	..	..	..
98½	90	6	6.7	Toronto Mtge.	....	90	..	..	..
x½	½	.	...	Traymore	....	..	..	..	..
2	2	.	...	Do. pref.	....	2	..	..	..
110½	107	7	6.4	Tuckett Tob. p	90	109	108½	108½	108½
1½	1	.	...	Twin City	....	1½	..	..	..
b7½	6½	.	...	Do. pref.	....	..	..	..	..
x37	23	.	...	Do. (notes)	....	..	..	..	..
				U					
4	2½	.	...	Union Gas	....	2½	..	..	..
x100	85	.	...	Union Trust	....	..	..	..	..
†8	8	.	...	United Fuel	....	..	..	..	..
9½	4½	.	...	Do. pref.	....	4½	..	..	..
7	7	.	...	Un. Amuse. A	....	7	..	..	..
20	19½	2	10	United Secs.	....	20	..	..	..
				V					
2	2	.	...	Viau Biscuit	....	2	..	..	..
x75	59	.	...	Do. pref.	....	..	..	..	..
				W					
7	4	.	...	Wabasso Cot.	....	4	..	..	..
6½	4	.	...	Walker-Good.	1485	5½	5½	5	5
11	9½	1	9.5	Do. pref.	926	10½	10½	10½	10½
1½	1½	.	...	Waterloo Mfg.	....	1½	..	..	..
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
5	4	.	...	West. C. Flour	5	4	5	5	5
55	53½	3	5.6	Do. pref.	....	53½	..	..	..
8	8	.	...	West. Grocers	70	8	8	8	8
55	54	7	12.9	Do. pref.	....	54	..	..	..
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
20½	17	1	5.9	Weston Bisc.	50	20½	18½	17	17
71	67	7	10.4	Do. pref.	....	67	..	..	..
3	3	.	...	Windsor Hotel	....	3	..	..	..
10	5	.	...	Do. pref.	5	6	5	5	5
3½	1	.	...	Winnipeg Elec.	230	2½	2½	2½	2½
8	4½	.	...	Do. pref.	10	5	4½	4½	4½
†46	46	.	...	Woods Mfg. p.	....	..	..	..	..
				Z					
x1	1	.	...	Zimmerknit, c.	....	..	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
• On account of arrears covering quarter ended June 30, 1932.
* Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	8%	2%	Apr. 15	Apr. 3
Buywell Food, pref.	7%	1¾%	Apr. 15	Apr. 10
Belding Corticelli, c.	4%	1%	May 1	Apr. 15
Bell Telephone	6%	1½%	Apr. 15	Mar. 23
Brit. Col. Power "A"	$2	50c	Apr. 15	Mar. 31
Canada Dry	$1	25c	Apr. 15	Apr. 1
Can. Dredge, pref.	7%	1¾%	May 1	Apr. 13
Can. Fairbanks, pref.	$6	$1.50	Apr. 15	Mar. 31
Canadian Bronze	60c	15c	May 1	Apr. 20
Do. pref.	$7	$1.75	May 1	Apr. 20
Can. Industries, pref.	$7	$1.75	Apr. 15	Mar. 31
Do., com. "A" & "B"	$3.50	87½c	Apr. 29	Mar. 31
Can. Northern Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canada Bud Brew.	60c	15c	Apr. 15	Mar. 31
Can. Iron Fds. pref.	$3	$1.50	Apr. 30	Apr. 15
Calgary Power, pref.	6%	1½%	May 1	Apr. 15
Can. Westinghouse	$2	50c	Apr. 1	Mar. 20
Dominion Scottish Invest., pfd.	$1	25c	May 1	Apr. 20
Dominion Textile, pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bridge	$2	50c	May 15	Apr. 29
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	...	20c	Apr. 20	Mar. 31
Hollinger Gold	65c	5c	Apr. 22	Apr. 7
Howe Sound	40c	10c	Apr. 15	Mar. 31
Inter. Hydro Elec. pfd.	$3.50	87½c	Apr. 15	Mar. 28
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 1
Imperial Bank	$10	$2.50	May 1	Mar. 31
Invest. Foundation pfd.	$1.50	37c	Apr. 15	Mar. 31
Do., on arrears	...	13c	Apr. 15	Mar. 31
McColl-Frontenac, pfd.	6%	1½%	Apr. 15	Mar. 31
Montreal Telegraph	8%	2%	Apr. 15	Mar. 31
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Montreal Tramways	$9	$2.25	Apr. 15	Apr. 6
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Northern Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
North Star Oil, pref.	7%	1¾%	Apr. 15	Apr. 5
N. B. Telephone	41c	10c	Apr. 15	Mar. 31
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Power Corp. pref.	$6	$1.50	Apr. 15	Mar. 31
Do. 2nd pref.	$3	75c	Apr. 15	Mar. 31
St Lawrence Flour	$1.50	37½c	May 1	Apr. 20
Do., pref.	7%	1¾%	May 1	Apr. 20
Southern Can. Power, pfd.	6%	1½%	Apr. 15	Mar. 20
Simpson, Robt., pref.	$6	$3	May 1	Apr. 15
Southern Can. Power c.	$1	25c	May 15	Apr. 29
Steel of Canada	$1.20	30c	May 1	Apr. 7
Do, pref.	$1.75	43¾c	May 1	Apr. 7
Teck Hughes	60c	15c	May 1	Apr. 13
Tuckett Tobacco pfd.	$7	$1.75	Apr. 15	Mar. 31
United Securities	$2	50c	Apr. 15	Mar. 31
Western Grocers pref.	$7	$1.75	Apr. 15	Mar. 20

Dividends Passed or Deferred:
East. Dairies, pref., Apr. 15, deferred. Last paid $1.75 Jan. 16, 1933.

Dividend Rate Reduced:
Bell Telephone, Apr. 15, $7 to $6 per annum.
Canada Bud Brew. Apr. 15, $1 to 60c per annum.
Steel of Canada, c. May 1, $1.75 to $1.20 per annum.
Ajax Oil & Gas, Apr. 15, 12c to 8c per annum.
Can. Bronze, c., May 1, $1.25 to 60c per annum.
Belding Corticelli, c., May 1, 7% to 4% per annum.
New Brunswick Telephone, c. Apr. 15, 12½c to 10c quarterly.

Extra Dividends:
Dome Mines, 20c. Apr 20.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

April 11, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	80.00	6.05
Alberta	5	1 July, 1948	1 July	86.00	6.90
Alberta	6	1 Mar., 1947	1 Sept.	97.00	6.33
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.50	5.99
*British Columbia	5	15 Jan., 1948	15 July	88.00	6.24
British Columbia	6	15 Feb., 1947	15 Aug.	97.00	6.33
Manitoba	4	1 July, 1947	1 July	79.50	6.15
*Manitoba	5	2 Dec., 1959	2 June	86.00	6.06
Manitoba	6	1 Apr., 1947	1 Oct.	96.00	6.44
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	99.25	5.00
New Brunswick	5½	1 May, 1950	1 May	102.50	5.28
*Nova Scotia	4½	15 Nov., 1948	15 May	97.50	4.72
Nova Scotia	5	1 May, 1943	1 May	100.50	4.93
*Ontario	4½	1 Sept., 1944	1 Sept.	101.00	4.39
Ontario	5	15 Oct., 1948	15 Apr.	102.00	4.81
Ontario	5½	1 Feb., 1947	1 Aug.	106.25	4.88
P. E. I.	4	1 Apr., 1939	1 Oct.	94.85	5.00
P. E. I.	6	1 May, 1947	1 May	107.35	5.25
*Quebec	4½	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	79.00	6.25
*Saskatchewan	5	1 Nov., 1950	1 May	85.00	6.15
Saskatchewan	6	15 Mar., 1952	15 Sept.	93.00	6.65
*Newfoundland	5	31 Dec., 1952	30 June	71.00	7.90
*Newfoundland	5½	1 July, 1939	1 July	79.00	9.96
*Newfoundland	6½	30 June, 1936	30 June	90.00	10.47
Cities					
*Montreal	5	1 Sept., 1963	1 Sept	100.50	4.97
*Toronto	4½	1 Jan., 1955	1 July	96.50	4.76
*Vancouver	5	15 Jan., 1970	15 July	83.00	6.17
Winnipeg	5	1 Mar., 1944	1 Sept.	90.15	6.25
*Edmonton	5½	1 Apr., 1947	1 Oct.	82.85	7.50
Calgary	5	1 Jan., 1943	1 July	79.60	8.00
Halifax	6	1 July, 1951	1 July	107.55	5.35
Saint John	5	15 Dec., 1950	15 June	96.35	5.25
Regina	4½	1 July, 1950	1 July	71.00	7.50
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.00	4.90

*Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to April 8)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Apr. 8
80c	10.8	Brit. Amer. Oil	65	8	7¾	7¾
..	..	Central Manitoba	500	.10	.10	.10
4	..	Canadian Fire	25	50	50	50
50c	6.2	Imperial Oil	30	8	8	8
35c	4.4	Imperial Tobacco	40	8	8	8
..	..	Macassa	500	.35	.35	.35
6	11.2	McColl-Fron., pref.	30	53½	53½	53½
35c	..	North Star Oil, pref.	120	2	2	2
..	..	Pelissiers, com.	160	¼	¼	¼
7	12.5	West. Grocers, pref.	30	56	56	56

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumber pf.	..	65
Beaver Fire	..	100
City Dairy 7% pf.	..	35
City Dairy 8% pf	..	40
Cres. Cream. pfd.	..	45
Home Investment	20	..
Great West Life	240	245
Nor. Mtg. part pd.	..	5
Pelissiers, pref.	10	20
Northern Trust	..	21
Sovereign Life 25% pd.	10	14
United Grain	10	11
West. Breweries	..	1½
Traders' Bldg. Ass.	..	72
Can. Amer. Tr. shs.	..	2½
Fundamental Ser. A	..	3½
Fundamental Ser. B	..	3
Group Inc. shs.	2.95	3.35

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending April 10

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Montreal								
Abitibi, 1st mtge.§	5	1953	...	13	13	...	13	13
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19½	19½
Can. Pr. (Laur.)	5½	1958	...	†5	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	1.00	...	...	1.50	1.00
Mex L. & Pr	5	1940	...	55	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	41	41½	41	43	39½
Mont. Tr. 1st mtg.§	5	1941	5.54	...	96½	...	98½	96½
Mont Trams. "A"§	5	1955	8.32	66	66½	66	77½	...
Do., G. & Ref. "B"	5	1955	7.47	66	...	...	73½	...
Do., "C"	4½	1955	9.08	66	...	...	57	57
Do., "D"	5	1955	7.14	†78	...	...	77½	76½
N. S. Steel	5	1959	...	80	...	...	*62½	59
Ontario Steel	6	1943	...	...	...	...	*100½	...
Porto R. Pr.	5	1955	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	102	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada§	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	114.75	...	...	116.25	115.80
Victory Loan	5½	1933	3.74	100.50	...	...	100.75	100.30
Do.	5½	1934	4.18	101.50	...	...	102.60	101.35
Do.	5½	1937	3.06	110.00	...	...	110.25	110.00
Do., refund	4½	1940	4.54	99.25	...	...	101.25	99.70
Do., refund	5	1943	4.66	102.25	...	...	103.37	101.85
Do., refund	4½	1944	4.64	98.75	98.75	...	99.75	98.75
Do., refund	4½	1946	4.57	98.75	...	...	*92.25	91.50
Do., renewal	4½	1952	4.60	92.00	...	...	93.25	91.63
Conversion Loan	4½	1956	4.60	97.00	...	...	98.50	97.00
Do.	4½	1957	4.78	97.00	...	...	98.25	96.00
Do.	4½	1958	4.62	97.87	...	...	99.37	97.75
Do.	4½	1959	4.64	98.25	...	...	100.15	97.50
Nat. Service Loan	5	1936	4.15	102.12	...	...	103.25	101.50
Do.	5	1941	4.62	102.12	...	...	103.75	100.75
Dom. Loan	4	1935	4.17	99.75	99.75	...	99.75	99.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

April 11, 1933

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	14.25	16.50
Acadia Sugar 6% 1946	84.50	87.00
Alta. Pac. rain 6% 1946	80.00	82.00
American Sales Book 6% 1939	107.00	....
Arnold Bros. 6% 1947	30.00	35.00
B. A. Oil 5% 1945	88.00	91.00
Can. Biscuit 6½% 1946	....	19.00
Can. Bread 6% 1941	78.00	84.00
Can. Cement 5½% 1947	51.00	54.00
Can. Steamship 6% 1941	15.50	17.00
Can. Bakeries 6½% 1945	46.00	51.00
Can. Canners 6% 1950	73.00	75.00
Can. Copper Refin. 6% 1945	102.00	104.00
Can. Cottons 5% 1940	83.00	86.00
Can. Vickers 6% 1947	52.00	55.00
Cons. Invest. 4½% 1959	25.00	28.00
Cosmos Imp. Mills 6½% 1944	79.00	83.00
Davies, Wm. 6% 1942	87.00	89.00
Debenture & Sec. 4% 1936	52.00	55.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	54.00	56.00
Dom. Telegraph 5½% 1978 "A"	87.00	89.00
Dom. Textile 6% 1949	99.00	....
Dom. Woollens 6% 1948	13.00	15.00
Donnacona Paper 5½% 1948	15.00	17.00
Eaton Realty 5% 1949	79.00	81.00
Famous Players 6% 1948	50.00	53.00
Famous Players 6½% 1948	25.00	28.00
Federal Grain 6% 1949	78.00	81.00
Fraser Co. 6% 1932	8.00	10.00
Fraser Co. 6% 1950	8.00	10.00
Galt Brass 7½% 1941	....	20.00
Goodyear Cotton 6% 1949	99.00	....
Great Lakes Paper 6% 1950	15.50	17.00
Gypsum, Lime & Alab. 5½% 1948	29.00	31.00
Harris Abattoir 6% 1947	88.00	90.00
Howard Smith 5½% 1953	100.00	....
Loew's Toronto 6% Serial	55.00	57.50
London Realty 6½% 1950	32.00	35.00
Maple Leaf Milling 5½% 1949	....	30.00
Massey-Harris 5% 1947	48.00	50.00
McColl-Frontenac 6% 1949	81.00	83.50
McKinnon Industries 6½% 1946	94.00	....
Mercury Mills 5½% 1953	....	30.00
Metropolitan Bldg. 7% 1944	85.00	....
Northern Ontario Bldg. 6½% 1939	60.00	63.00
Price Bros 6% 1943	27.00	29.00
Richmond Bay 6½% 1947	64.00	67.00
Simpsons Ltd. 5½% 1949	39.00	41.00
Simpsons Ltd. 6% 1949	38.00	40.00
Steel of Canada 6% 1949	103.00	105.00
Toronto Carpet 6% 1949	75.00	85.00
United Gas & Fuel 5½% 1948	49.00	51.00
United Grain Growers 5% 1948	76.00	77.50
United Grain Growers 5½% 1949	79.00	81.00
Wabasso Cotton 7% 1942	63.00	....
Western Grain 6% 1949	62.00	65.00
Public Utility Bonds:		
Bell Telephone 5% 1955	106.50	108.50
Bell Telephone 5% 1957	105.00	107.50
B. C. Power 5½% 1960	81.00	82.50
B. C. Telephone 5% 1960	83.00	85.00
Calgary Power 5% 1960	76.00	78.00
Can. Northern Pwr. 5% 1953	74.00	76.00
Duke Price Pwr. 6% 1966	60.00	63.00
French Nat'l. Mail S.S. 6% 1952	122.00	124.00
Gatineau Pwr. 6% 1941 "A"	58.00	58.00
Gatineau Pwr. 5% 1956	74.25	75.50
Maclaren Quebec 5½% 1961	69.00	72.00
Manitoba Power 5½% 1951	38.00	40.00
Montreal Isl. Pwr. 5½% 1957	90.00	93.00
Montreal LH&P 5% 1951	105.00	107.00
Montreal LH&P 5% 1970	102.00	104.00
Montreal Tram 5% 1941 July	96.00	97.00
Montreal Tram 5% 1955	65.00	67.00
Northwest. Utilities 7% 1938	89.00	92.00
Ottawa Valley Pwr. 5½% 1970	94.00	96.00
Quebec Power 5% 1968	88.00	89.00
Rio Tramways 5% 1935	96.00	98.00
Shawinigan W&P 4½% 1970	63.00	65.00
Shawinigan W & P 5% 1970	71.00	74.00
Shawinigan W&P 6% 1937	81.00	83.00
Southern Can. Pwr. 5% 1955	97.00	100.00
West Kootenay Pwr. 5% 1956	89.00	92.00
Government, Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	98.50	99.00
C. N. R. 4½% 1957 Dom. Gtd.	98.00	99.00
C. N. R. 5% 1969 Dom. Gtd.	103.00	104.00
C. P. R. 4½% 1944	63.00	65.00
C. P. R. 6% 1942	86.00	88.00
Dom. of Can. 5% 1936	102.00	102.75
Dom. of Can. 5% 1941	102.00	103.00
G. T. P. 3% 1962 Dom. Gtd.	78.50	79.75
G. T. P. 4% 1962 Dom. Gtd.	91.00	92.00
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	90.00	91.00
Ont. Hydro 4½% 1970 Ont. Gtd.	97.00	98.50
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	....
Prov. of N. B. 5% 1957	98.00	99.50
Prov. of Ont. 5½% 1946	105.00	106.00
Prov. of Ont. 5% 1948	100.00	101.50
Prov. of Ont. 5½% 1946	105.00	106.50

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

April 11, 1933

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	.40	.55
Acadia Sugar 6% pfd.	2.75	3.10
Acme Farmers Dairy 7% pfd.	50.50	....
Acme Glove pfd. bonus c.	5.60	8.25
Agnew Surpass 7% pfd.	60.00	65.00
Allens London 7% pfd. bonus c.	31.00	....
Allens St. Cath. 7% pfd. bonus c.	31.00	....
Allens Toronto 7% pfd. bonus c.	16.50	....
Andian Nat. Corp.	20.00	22.50
Atlantic Sugar "A" pfd.	70.00	80.00
B.C. Pulp & Paper pfd.	2.75	....
Burns pfd. bonus com.	....	3.00
Canada & Dom. Sugar	21.50	23.00
Canada Mach. c.	2.75	5.00
Canada Mach. pf.	15.75	....
Canada Pack. c.	10.25	12.50
Canada Pack. pfd.	75.50	....
Canada Starch 7% pfd.	62.00	68.00
Canada Tea 7% pfd.	....	53.00
Canada Wire & Cable 6½% pfd. W.W.	30.00	35.00
Can. Industries c. "A"	70.00	....
Can. Industries c. "B"	65.00	69.00
Can. Industries 7% pfd.	114.50	117.00
Can. Westing.	35.00	38.00
Claude Neon Gen. Adv. Units	....	14.00
Cons. Div. Standard Sec. pfd.	5.00	....
Dom. Foundries & Steel 8% pfd.	....	60.00
Dom. Foundries & Steel c.	2.00	4.00
Dom. Mfrs. 7% pf.	60.00	70.00
Dunlop Tire 7% pfd.	32.00	39.50
Eastern Dairies Ltd. 7% pfd.	....	47.00
Edmonton Stockyards Units	38.50	52.00
Federal Grain 6½% pfd.	15.00	20.00
A. J. Freiman pf.	30.00	40.00
Gen. Steel Wares pfd.	4.75	6.00
Goderich Elevator & Transit	3.50	5.00
Greening Wire 7% pfd.	....	56.00
Guelph Carpet 6½% pfd. bonus	63.50	72.00
Guelph Carpet c.	4.00	....
Inter. Proprietaries "A"	22.00	23.00
Langleys Ltd. 7% pfd.	23.00	....
Loew's London c.	.45	1.00
Loew's London 7% pfd.	3.25	4.25
Loew's Toronto 7% pfd.	....	60.00
Massey Harris 5% pfd.	11.00	12.50
Medical Arts pfd. bonus c.	95.00	....
Mount Royal Hotel c.	.25	....
Mount Royal Hotel 6% pfd.	2.25	3.50
Nat. Grocers c.	.50	1.00
Nat. Grocers 7% 2nd pfd.	37.00	42.50
Neilson, Wm., c.	3.50	....
Paramount Kitchener pfd.	27.25	....
Paramount Oshawa com.	1.50	....
Paramount Oshawa pfd.	27.00	....
Provincial Paper 7% pfd.	31.00	34.00
Reliance Grain 6½% pfd.	40.50	44.50
Rolland Paper 6% pfd. W.W.	23.50	27.00
Standard Clay Products c.	....	14.25
Standard Fuel 6½% pfd. bonus	55.00	59.00
Stop & Shop Ltd. com.	1.25	3.00
Supersilk pfd. bonus	25.00	30.50
Supertest Petroleum "B"	17.75	20.50
Ind. Stock cont'd.		
Toronto Carpet c.	45.00	....
Toronto Elevators 7% pfd.	69.00	73.00
United Grain Growers	10.25	....
Western Grain 6½% pfd. bonus	12.00	17.00
Western Grocers pfd.	....	60.50
Willards Chocolates pfd.	....	14.00
Insurance Stocks:		
Br. Amer. Assce.	32.00	40.00
Canada Life Ass.	....	390.00
Can. Fire Ins.	46.50	55.00
Confederation Life 20% pd.	....	132.00
Continental Life 20% pd.	37.50	46.00
Crown Life Ins.	85.00	110.00
Dom. Fire Ins.	80.00	....
Dom. Life 50% pd.	140.00	225.00
Dom. of Can. Gen. Ins.	....	108.00
Empire Life 25% pd.	8.00	12.00
Excelsior Life 30% pd.	81.00	90.00
Fidelity Ins. Co.	45.00	....
Great West Life Assce.	....	243.00
Guarantee Co. of N. A.	241.00	....
Imperial Life	250.00	265.00
Mfrs. Life Ins.	225.00	250.00
Monarch Life 10% pd.	16.00	20.00
National Life 25% pd.	60.50	69.00
Saskatchewan Life 10% pd.	7.75	12.00
Sovereign Life 25% pd.	15.00	20.00
Sun Life Assur.	265.00	300.00
Western Assur. c.	14.25	....
Western Life 20% pd.	7.25	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	154.00	165.00
Can. Gen. Invest. Ltd.	2.80	3.00
Chartered Trust	....	68.00
Debenture & Sec. 5% pfd.	7.00	....
Eastern Can. Sav. & Loan	110.50	115.00
Eastern Trust	132.50	142.00
Guelph & Ont. Inv. par $50	49.00	57.00
Investment Foundation Units	17.50	22.00
Lambton Loan & Savings	50.00	55.00
London & Western Trust	....	72.00
Mtge. Disc. pfd.	1.80	....
Provincial Bank	85.00	92.00
Premier Trust	67.50	77.00
Security Loan & Savings	99.25	....
Sherbrooke Trust	100.00	112.00
Sterling Trust	....	53.00
Traders Fin. c.	....	.50
Traders Finance 7% "A" pfd.	18.00	20.00
Trusts & Guar.	....	37.00
Victoria Trust & Savings	130.00	138.00
Waterloo Trust & Savings	....	104.50
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	88.00	90.00
Calgary Power 6% pfd.	62.00	....
Can. Light & Pwr. c.	15.00	17.00
Can. West. Nat. Gas LH&P c.	21.00	....
Can. West. Nat. Gas LH&P pfd.	65.00	69.50
Maritime Tel. & Tel. c.	6.35	8.25
Maritime Tel. & Tel. 7% pfd.	10.25	11.50
N.B. Telephone c.	6.10	7.25
Nor. Ont. Pwr. c.	9.50	....
Nova Scotia L&P 6% pfd.	65.50	70.00
Recent London Quotations:		
Brewers & Distillers	....	4s.
Can. & For. Secs.	....	3s. 6d.
Can. West. Lumber	....	9d.
Hudson's Bay	....	16s. 3d.
Do., 5% pref.	....	60s.
Internat. Holdings	....	31
Nfld. Pr. & Pap. deb. stock "B"	....	90¼
Trust & Loan of Can.	....	9

ACCEPTANCE CORP. COVERS CHARGES; PAYS DIVIDEND

Income on Lower Basis, Credit Losses Drop Since 1930

From Our Own Correspondent

MONTREAL.—Gross volume of business handled by Industrial Acceptance Corp. in 1932 totalled $12,512,287, compared to $14,820,933 in the previous year, and gross income, after reserves for credit contingencies was $899,920 against $993,144 in 1931. After expenses, interest, and insurance premiums, net earnings amounted to $97,731, compared with debenture interest requirements of $57,023.

Net profit of $39,608 was equal to 66 cents a share on the class "A" stock, on which a dividend of 30 cents a share, or $18,000 was paid during the year. Net profit in 1931 was equal to $1.22 a share on the class "A" stock and dividends of $1.20 a share were distributed. From surplus was deducted an additional $40,901 as reserve for contingencies while $13,782 was realized as discount on debentures redeemed. Surplus at profit and loss was $24,643 compared with $43,029 at the end of 1931.

Profit and Loss Figure

Following is comparison of profit and loss for the past two years:

	1932 $	1931 $
Gross volume	12,512,287	14,820,983
Gross income	899,920	993,144
Less: Expenses	476,695	529,666
Interest	253,468	249,736
Insce. prems.	72,026	73,684
Net earnings	97,731	140,058
Less: Debenture int.	57,023	58,999
Income tax	1,100	7,800
Net profit	39,608	73,259
Less: Class "A" divds.	18,000	72,000
Surplus for year	21,608	1,259
Add: Previous surp.	30,154	41,770
Disc. on debs.	13,782	......
Less: Res. for cont.	40,901	......
Bal. forward	24,643	43,029

Acceptances Show Decline

Reflecting lower volume of business, the total of acceptances and notes receivable was $5,540,556 compared with $6,457,812 at the end of 1931. It is pointed out that accounts standing on the books as 30 days overdue or more amounted to 3.23 per cent of accounts receivable outstanding, which are carried at $108,292. This ratio compares with 2.06 per cent in 1931, 4.97 per cent in 1930 and 5.72 per cent in 1929. Cash was higher by $52,000 at $502,207 and goodwill is unchanged at $1.

In liabilities bank loans are down $547,000 at $3,335,543. Holdbacks are lower by $186,000 at $642,001. Reserves for deferred income and credit contingencies total $269,397. It is pointed out that ratio of this reserve has been increased to 5.57 per cent of receivables compared with 5.22 per cent at the end of 1931 and 4.32 per cent in 1929. Repossessed articles held by the company total $59,229 compared with $71,074 in the previous year.

During the year there were redeemed $415,000 of 6 per cent debentures, leaving $938,500 outstanding. It is stated that sinking fund requirements for 1933 have been anticipated.

Average Investment $140

In his remarks to the shareholders, Russell D. Bell, president of the company, said in part:

"In a year in which collections on all forms of credit have made what is probably the most unsatisfactory record in the country's history, your directors are glad to report that the percentage of delinquent accounts, while higher than that of a year ago, is still considerably better than it was in such a generally prosperous year as 1929.

"The investment of your company per individual is, on the average, approximately $140, and has an average of less than six further monthly installments to complete liquidation. Such receivables are secured by the articles purchased which are on the average more than 65 per cent paid for. They are further secured by the endorsement of a dealer.

"The company's records show that the ratio of credit losses to total commitments reached its highest point in connection with business originating in the last year of general prosperity, i.e., 1929, which is now no longer a factor in our position. Comparable ratios of necessary write-offs for business originating in 1930 showed a decline and such comparable records as have so far become available for 1931 and 1932 business show further and progressive declines. This is a normal reflection of the fact that individuals seeking credits, and the company in granting them, have exercised a growing degree of care in assuming liabilities."

BATHURST PAPER OPERATING LOSS HIGHER FOR 1932

Strong Liquid Position Feature of Balance Sheet

From Our Own Correspondent

MONTREAL.—Conditions in the newsprint market last year did not favor the sale of newsprint, but owing to the introduction of kraft liner board, Bathurst Power and Paper Co. was able to keep its losses on 1932 operation within reasonable limits.

Operating losses for last year totalled $158,224, up from $86,460 in the previous year. An income of $35,773 from investments enabled the company to reduce its losses for the year to $131,613. This compared with $201,565 in 1931 when $115,104 was written off.

Details of the income account follow:

	1932 $	1931 $	1930 $
Oper. loss	158,224	86,460	*132,953
Int. from inv.	35,773	......	......
Balance	■122,451	■86,460	132,953
†Loss on sale	3,163	......	......
Balance	■125,614	■86,460	132,953
Written off	5,999	115,104	59,871
‡Loss for yr.	131,613	201,565	73,082
Prev. bal.	40,860	160,704	107,918
Balance	■172,473	■40,860	181,000
Org. write-off	30,000	......	......
P. & L. bal.	■202,473	■40,860	181,000

*Profit. ■Debit. †Of investments. ‡Before providing for depreciation of building, plant and machinery.

Working Capital Position

	1932 $	1931 $	1930 $
Curr. assets	2,115,720	2,199,719	2,616,368
Curr. liabs.	94,137	96,233	122,942
Work. cap.	2,021,583	2,103,486	2,493,426

Strong Cash Position

A feature of the Bathurst balance sheet in the past three years has been the maintenance of a strong cash position. This status was continued throughout 1932.

Total assets of the company at the end of 1932 amounted to $24,637,937 as compared with $24,790,526 at the close of 1931. There was practically no change in property account, the difference in accounts being due to changes in current assets.

Comments on Results

In commenting upon operations last year Brig.-Gen. J. B. White, president, had the following to say in part:

"Reference was made in last year's annual report to the introduction of kraft liner board. The demand for this product has enabled the company to increase its total volume of business, and aggregate sales were in excess of the preceding year by over 4,000 tons. The manufacture of kraft liner board, although not productive of profit, assisted the company very materially in reducing its inventory of wood.

"Conditions in the newsprint industry were most unsatisfactory, and, while sales were only slightly less than in the preceding year, the price realized was substantially lower.

"The satisfactory financial condition of the company has been maintained. Cash and marketable securities at the end of 1932 amounted to $867,033 (at quoted values), as compared with $654,226 at the end of 1931 and the ratio of current assets to current liabilities exceeded 22 to 1. The company has no funded indebtedness or bank loans."

Trade Commissioner

DR. PHILIP R. BOTHA

Trade commissioner to Canada from the Union of South Africa, who has just opened offices for his government in the Barclay's Bank building, Montreal.

Edmonton Wheat Inspectors Gain

Wheat inspectors at Edmonton during the first half of the present crop year are larger than for the similar period of the previous year, according to a report of S. Thompson, inspector at this centre. From August 31, 1932, to January 31, 1933, some 19,709 cars of grade wheat were inspected as against 18,981 cars twelve months previous.

REGENT KNITTING PROFITS REGISTER SHARP INCREASE

Smaller Loss Reported After All Charges in 1932

From Our Own Correspondent

MONTREAL.—Despite a decrease of 9.8 per cent in sales for the year, gross profits of Regent Knitting Mills in 1932 were $317,355, compared with $217,008 in 1931, and after expenses, operating profit was $110,993 against $19,958. After all charges, including $18,000 reorganization expenses written off, and an increased provision for depreciation, there was a net loss of $81,708 compared with a loss of $131,605 in the previous year.

From surplus was deducted $135,303, representing a loss on fixed assets to December 31, 1931, as ascertained by physical inventory of plant, and an additional $4,133 as loss on fixed assets sold and scrapped during last year.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $	1930 $
Gross	317,855	217,008	275,779
Exp. etc.	206,861	197,045	214,126
Oper. prof.	110,993	19,958	61,653
Interest, etc.	51,956	54,064	31,622
Deprec. res.	77,878	75,000	75,000
B D. res.	44,867	22,500	......
B. disc. amort.	......	......	6,408
*Loss	......	......	8,116
Reor. exp. w.o.	18,000	......	......
‡Reserves	......	......	42,146
Net loss	81,708	131,605	101,711
Prev. bal.	288,845	420,450	606,937
Balance	207,137	288,845	505,226
†Adjust.	1,274	......	......
*Loss	135,303	......	......
§Other loss	4,133	......	......
Written off	......	......	■92,432
Prof. bds. red.	500	......	......
P. & L. bal.	66,925	288,845	412,794

*Due to decline in price of raw materials. ‡For depreciation of inventory. †Pertaining to prior years. *On fixed assets to December 31, 1931, as ascertained by physical inventory of plant. §Loss on fixed assets sold and scrapped during year. ■Bond discount.

Working Capital Position

	1932 $	1931 $
Current assets	856,290	907,298
Current liabs.	458,428	451,381
Working capital	397,862	455,907

Experts Take Inventory

During the period, a complete physical inventory of all plant, equipment, fixtures, etc., was prepared under the supervision of efficiency engineers and results necessitated certain adjustments in the capital structure. Fixed assets, less depreciation, are now carried at $1,587,481 after deduction of $381,394 to reduce fixed assets to the net cost of acquisition to the company. Cash is down $31,000 to $25,696 and accounts receivable are slightly lower at $212,776. Inventories are down $6,000 at $595,112 and goodwill is still carried at $1.

In liabilities, bank loans are unchanged at $330,000 and bills payable are up $7,000 at $25,952. During the year there were redeemed $2,000 of 6½ per cent first mortgage bonds, leaving $389,800 outstanding. Capital structure is unchanged. The relatively small decline in bond redemption is accounted for by the fact that last year bondholders agreed to extend the maturity of the issue to September 1, 1942, with a sinking fund of $10,000 yearly to start on September 1, 1934. Previously the bond issue matured serially to 1935.

Remarks to Shareholders

In his remarks to the shareholders, C. G. De Tonnancour, president of the company, said in part:

"The sales for the year 1932 show a decrease of 9.81 per cent compared with 1931, although the prices were much lower, indicating an increased number of units. Up to the end of September, booked orders were ahead of the previous year but the last three months of the period wiped out the advance.

"Your industry has now obtained some relief by the last changes in the tariff, but the knitting department is still operating at less than 50 per cent of capacity, and the plant has been kept in good repair; at this moment it is impossible to forecast any situation. In view of the continued depression, your directors have put into effect considerable reduction in salaries and wages."

Quebec Amends Bill Sponsored by Paper Firms

From Our Own Correspondent

MONTREAL.—The Public Bills Committee of the Quebec Legislative Assembly did not deal kindly with the bill sponsored by the Canadian International Paper Co. and Consolidated Paper Corp. dealing with forestry concessions held by pulp and paper companies. The applicants wanted registration of limits simplified. Also they wanted the premium on transfer of timber rights done away with and title to limits.

Few of the provisions in the bill met with the approval of the committee and after much lengthy discussion, the committee accepted two of the clauses of the bill whereby it will be possible for the companies to register bonds they issue without having to follow the provisions of the Civil Code, which requires that the cadastral number be given and a description of the lots. It will be possible to have registration through the simple means of producing a certificate issued by the Minister of Lands and Forests giving the description of the forest areas leased.

Mining Stock Quotations

Week Ending April 10.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Apr. 3 (or last)	High for week	Low for week	Close Apr. 10
1	.05	.02	Abana	2,000	.04	.04	.03	.03
1	.01½	.00½	Aconda	......	.01	.....	.....	.....
No	*.15	.15	Aldermac	......	......	.....	.....	.....
1	.03½	.01	Alexandria	37,000	.01½	.02½	.02	.02½
No	.05½	.02½	Algoma	33,000	.02½	.03	.02½	.02½
1	.01	.00½	Algonquin	1,000	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	1,000	.01½	.01½	.01½	.01½
No	.25½	.10	Amulet	12,600	.15½	.16½	.15	.16½
1	.01	.00½	Apex	......	.00½	.....	.....	.....
1	.03½	.02	Area	5,000	.02	.02½	.02	.02½
No	.04½	.01½	Arno	183,100	.02½	.03	.02½	.02½
1	1.36	.74	Ashley Gold	4,256	1.26	1.32	1.28	1.32
1	.14	.02½	Bagamac	22,500	.06	.08	.06½	.07
1	.03	.00½	Baldwin	500	.00½	.00½	.00½	.00½
1	.20	.08	Barry Hollinger	41,000	.11½	.13	.11	.12
No	1.00	.75	Base Metals	......	.80	.....	.....	.....
No	1.00	.98	Beattie	......	.98	.....	.....	.....
1	.21	.08	Big Missouri	7,300	.13	.16	.13	.15½
1	.18	.08½	Bobjo	29,700	.10½	.13	.11	.12½
No	2.98	2.28	Bralorne	6,475	2.33	2.98	2.36	2.93
1	.25	.15	Brett Trethewey	6,500	.16½	.19	.17	.19
1	.03½	.01½	Brownlee	14,500	.02½	.03	.02½	.02½
1	.01	.00½	Buckingham	......	.00½	.....	.....	.....
No	.04½	.02	Buffalo Can.	11,500	.02½	.02½	.02	.02½
No	.03½	.01½	Bunker Hill	46,000	.03½	.03½	.02½	.02½
5s	.65	.60	B'Wana McKubwa	......	.65	.....	.....	.....
No	.04	.02½	Canam Metals	......	.02½	.....	.....	.....
1	.12½	.03	Can. Kirkland	4,500	.07	.06½	.05½	.05½
1	.01	.00½	Capital Rouyn	4,000	.00½	.00½	.00½	.00½
1	.03½	.01	Cartier Malartic	......	.01	.....	.....	.....
1	.30	.15	Castle Trethewey	2,300	.19	.20½	.20	.20½
1	.15	.06	Cen. Manitoba	3,700	.08	.10	.08½	.10
1	.28	.17	Cen. Patricia	12,950	.19	.20	.18	.19
No	.11	.03	Chibougamau Pros.	3,500	.06	.07	.07	.07
	.10½	.05	Church M. & Mill.	.....	.05	.....	.....	.....
No	.02½	.00½	Clericy	2,000	.01½	.01½	.01	.01½
	.01½	.01	Clifton Cons.	......	.01	.....	.....	.....
5	3.20	1.65	Coast Copper	900	2.50	2.90	2.50	2.80
1	.02½	.00½	Cobalt Contact	2,500	.01	.01½	.01½	.01½
1	.11	.05	Columario	5,000	.05	.07	.05½	.06
5	1.05	.75	Coniagas	......	.75	.....	.....	.....
No	.45	.20	Coniaurum	6,561	.29	.40	.28	.36
25	72.62	54.00	Cons. Smelters	4,610	60.50	67.50	58.00	67.50
No	18.50	13.60	Dome Mines	10,669	15.50	17.60	15.50	17.05
No	.05½	.03½	Dom. Explorers	1,000	.03½	.03½	.03½	.03½
1	.01	.00½	Dominion Kirk.	......	.01	.....	.....	.....
1	.04	.01	Don Rouyn	6,500	.01½	.01½	.01	.01½
1	*.04½	.02	Duparquet	8,000	.02½	.02½	.02	.02
1	1.61	1.16	Eldorado	12,800	1.33	1.37	1.30	1.35
No	2.75	1.80	Falconbridge	12,913	2.35	2.70	2.35	2.65
1	.02½	.01	Federal	4,000	.01½	.01½	.01½	.01½
No	.02½	.01½	Flintoba	......	.02½	.....	.....	.....
No	.02½	.01	Gilbec	17,100	.01½	.02½	.01½	.02½
1	.07	.04	Goldale	2,000	.06	.06	.05½	.06
10	.15	.10	Goldfield	......	.10	.....	.....	.....
1	.00½	.00½	Gold Hill	1,000	.00½	.00½	.00½	.00½
	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.04½	.02	Goodfish	3,000	.02	.02	.02	.02
1	.03½	.01	Graham	500	.02½	.01	.01	.01
1	1.95	1.19	Granada	34,245	1.30	1.45	1.25	1.40
1	.08	.06	Grozelle	......	.07	.....	.....	.....
1	.29	.24	Halcrow Swayze	9,100	.27½	.29	.28	.28½
1	.04½	.02	Harker	42,000	.03½	.04½	.03½	.04½
1	.01½	.00½	Hilltop	......	.00½	.....	.....	.....
5	8.75	6.00	Hollinger	57,982	7.35	8.35	7.30	8.15
1	.95	.61	Howey Gold	80,800	.66	.76½	.66	.73
No	4.25	3.10	Hudson Bay	4,235	3.75	4.25	3.60	4.10
No	.40	.25	Huronian	......	.30	.....	.....	.....
No	11.30	8.00	Int. Nickel	80,189	9.62	11.30	9.62	11.30
1	.02	.00½	Jackson Manion	1,000	.01	.01½	.01½	.01½
1	.35	.20	Keeley	......	.33	.....	.....	.....
1	.02	.00½	Keora Mines	4,000	.00½	.00½	.00½	.00½
1	.76	.48	Kirk. Hud. Bay	......	.50	.....	.....	.....
1	.02½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.52	.30	Kirkland Lake	32,300	.33	.38	.33	.38
1	.03	.01½	Kirkland Premier	1,000	.02½	.02½	.02½	.02½
1	.22½	.12	Kirk. Townsite	80,400	.18	.22	.17	.19
20c	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	*.01½	.01½	La Rose	......	......	.....	.....	.....
1	.18	.08	Lake Maron	39,000	.14½	.17½	.14½	.16
1	.35	.18	Lakeland	1,300	.20	.20	.19	.19
1	40.00	30.75	Lake Shore	10,079	32.35	36.25	32.30	35.60
1	.07½	.02½	Lebel Oro	8,000	.05	.05½	.04½	.04½
1	.36½	.20	Macassa	120,959	.32½	.35½	.32½	.35½
1	.09½	.05	Malartic	21,650	.09	.09½	.08	.09
1	.02½	.01	Malrobic	187,500	.02	.02½	.01½	.02½
No	.08	.02½	Mandy	......	.03½	.....	.....	.....
No	.03	.01½	Manitoba Basin	4,000	.01½	.01½	.01½	.01½
5	27.60	21.20	McIntyre	11,900	23.25	26.00	23.95	25.30
1	.50	.30	McKinley	......	.41	.....	.....	.....
No	.08	.02½	McLeod River	82,000	.02½	.03½	.02½	.03½
1	.09½	.03	McMillan	13,600	.07	.09½	.06	.08
No	.75	.46	McWatters	13,550	.55	.57	.53	.55
1	.33	.15	McVittie	38,800	.28	.33	.27½	.32½
5	1.06	.06	Mentor Exp. & Dev.	800	1.00	.55	.55	.55
No	1.80	1.20	Mining Corp.	8,549	1.30	1.46	1.30	1.45
1	.03	.01½	Moffatt Hall	77,200	.02	.03	.02	.02
1	.06½	.02	Moneta	500	.04	.02½	.02½	.02½
1	.40	.12	Moss	89,060	.15	.16½	.15	.15
1	.02½	.00½	Murphy	1,000	.01½	.01½	.01½	.01½
No	.05	.02½	Newbec	5,500	.02½	.03	.02½	.03
1	.06	.01½	Night-Hawk Penn.	6,000	.02½	.04	.02½	.03½
5	1.95	1.15	Nipissing	2,273	1.50	1.57	1.45	1.51
No	25.50	19.75	Noranda	36,372	21.50	23.90	21.40	23.75
No	.52	.32½	Nor. Canada	2,100	.40	.38	.36	.38
No	.23	.20	Normont-Gold	5,750	.22½	.22½	.20½	.20½
No	.02½	.01	Old Colony	31,500	.01½	.01½	.01½	.01½
1	.14	.05	Osisko	......	.08	.....	.....	.....
1	.25	.11	Parkhill	92,100	.20½	.25	.20	.25
1	.03½	.01½	Pawnee Kirk.	5,000	.02	.02½	.02	.02½
1	.80	.54	Pend Oreille	6,500	.72	.80	.68	.75
1	.01½	.00½	Peterson Cobalt	2,000	.01	.01½	.01	.01
1	6.70	4.30	Pioneer Gold B.C.	24,715	6.10	6.70	6.10	6.60
1	.01½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.01	.00½	Potter Doal	......	.00½	.....	.....	.....
1	*.12	.12	Powell Rouyn	......	......	.....	.....	.....
1	.82	.58	Premier Gold	32,560	.70	.70	.58	.59
1	.02½	.01	Preston E. Dome	......	.01	.....	.....	.....
No	.95	.68	Prospectors Air's	2,100	.70	.75	.68	.75
No	*1.00	1.00	Quebec Pros.	......	......	.....	.....	.....
No	.15	.03	Quemont	......	.10	.....	.....	.....
1	.02½	.00½	Ribago	7,000	.00½	.00½	.00½	.00½
1	.03	.01½	Ritchie	10,000	.01½	.02	.01½	.02
1	.04	.01	Robb Montbray	1,500	.01½	.01½	.01½	.01½
1	1.21	.75	San Antonio	86,552	.87	1.06	.85	1.01
1	.03	.03	Seven Troughs	1,500	.03	.03	.03	.03
1	.54	.33	Sherritt Gordon	27,562	.44	.50	.38	.46
1	1.77	1.25	Siscoe	177,030	1.41	1.65	1.42	1.62
1	.10½	.03	South Keora	1,000	.04	.03½	.03½	.03½
No	.06	.01½	Stadacona	160,800	.03	.03½	.02½	.02½
1	.14	.07	St. Anthony	2,000	.10½	.10½	.10	.10
No	1.07	.60	Sudbury Basin	8,125	.86	.98	.90	.97½
1	.06½	.00½	Sudbury Contact	77,800	.03	.06½	.03	.06½
1	.01½	.00½	Sudbury Mines	500	.00½	.00½	.00½	.00½
No	.16½	.16½	Sudbury Nickel	......	.16½	.....	.....	.....
1	.38½	.20	Sullivan	47,200	.26	.35	.26	.31½
1	1.21	.72	Sylvanite	56,500	.78	.93	.78	.90
1	.03½	.01½	Tashota	5,000	.01½	.01½	.01½	.01½
	.18½	.15½	Tashota Goldfield	......	.18½	.....	.....	.....
1	5.10	3.70	Teck Hughes	51,656	4.10	4.53	4.10	4.50
1	.10	.03	Thom. Cadillac	......	.06	.....	.....	.....
1	.20	.10	Towagmac	2,600	.10	.15	.13	.15
1	2.00	1.00	Treadwell	470	1.20	1.25	1.00	1.25
1	.08	.04	United Kirkland	4,500	.06	.07	.05½	.07
No	.06½	.01½	Vacuum Gas	17,000	.01½	.02½	.01½	.02½
No	2.40	2.30	Venezuela Gold	......	2.35	.....	.....	.....
No	1.28	.80	Ventures	64,180	.96	1.08	.95	1.03
1	.22	.09	Vickers	4,700	.14	.13	.11	.13
1	.41½	.20	Vipond	12,900	.32	.39	.32	.39
No	.60	.35	Waite Ackerman	450	.49	.49½	.47	.49½
1	.04½	.02½	White Lake	500	.02½	.02½	.02½	.02½
1	.08	.02	Wiltsey Coughlan	9,700	.05	.06½	.05	.06½
1	.12	.07	Wood Kirkland	9,500	.08	.12	.09	.11
No	5.05	3.73	Wright-Hargreaves	56,585	4.29	4.75	4.28	4.65
			OIL STOCKS					
No	.12	.08	Acme Gas & Oil	13,000	.08½	.08½	.08	.08
1	.82	.57	Ajax	3,200	.61	.60	.57	.57
1	.10	.05	Alta. Pacific	870	.08½	.08	.07	.08
1	.07½	.05½	Amalgamated	7,000	.06	.06½	.05½	.06½
No	.07	.04½	Associated	1,000	.04½	.06	.05½	.05½
No	.02½	.01	Baltac	......	.01½	.....	.....	.....
1	*.05	.02½	Brit. Dominion	......	......	.....	.....	.....
No	.35	.25	Calgary & Ed.	1,000	.33	.28	.27½	.28
1	.05	.03	Calmont	......	.03	.....	.....	.....
1	.06	.03½	Common. Pete	......	.03½	.....	.....	.....
No	.20	.05	Dalhousie	......	.12	.....	.....	.....
No	.02	.02	Devenish	......	.02	.....	.....	.....
No	*.02	.00½	Dome Oil	......	......	.....	.....	.....
No	.08	.05½	East Crest	......	.06	.....	.....	.....
	.25	.25	Erie Gas	......	.25	.....	.....	.....
No	.00½	.00½	Fabyan Pete	20,000	.00½	.00½	.00½	.00½
No	.10	.06	Foothills	500	.10	.06	.06	.06
No	.05½	.04	Freehold	500	.04½	.04½	.04	.04
1	*.02	.00½	Great West	......	......	.....	.....	.....
No	*.06½	.03	Hargal	......	......	.....	.....	.....
No	*.05	.02	High Sarcee	......	......	.....	.....	.....
No	.45	.30	Home	350	.40	.40	.34	.34
No	*.05	.01½	Homestead	......	......	.....	.....	.....
1	.20	.10	Homest'd O. & G.	3,000	.10	.10½	.10	.10½
1	*.01	.00½	Illinois Alberta	......	......	.....	.....	.....
No	*.02½	.00½	Lethbridge	......	......	.....	.....	.....
No	*.10	.04	Lowery	......	......	.....	.....	.....
No	*.02	.00½	Madison	......	......	.....	.....	.....
1	.21	.14	Mayland	200	.16	.18	.18	.18
No	*.04	.01½	McD. Segur Ex.	......	......	.....	.....	.....
1	*.04	.01	McD. Segur N.	......	......	.....	.....	.....
1	.28	.25	McLeod	450	.27	.25	.25	.25
No	.09½	.07½	Mercury	4,600	.08½	.08	.07½	.07½
No	.15	.12½	Merland	1,000	.13	.12½	.12½	.12½
No	*.15	.08½	Mill City Pete	......	......	.....	.....	.....
1	.18	.12	Model	1,600	.17	.17	.16	.16
1	*.05	.04	Monalta	......	......	.....	.....	.....
1	*.07	.03	Moose Mountain	......	......	.....	.....	.....
1	*.01	.01	New Federal	......	......	.....	.....	.....
5	.20	.09	Nordon	6,900	.11	.12	.11	.11
1	.04	.02½	Oil Selections	6,500	.03½	.03½	.03½	.03½
No	.06	.04½	Okalta	......	.04½	.....	.....	.....
No	.31	.20	Olga Gas & Oil	2,500	.27½	.27½	.26½	.26½
No	.03½	.01	Penn. Pete	23,000	.01½	.02½	.01½	.02½
1	.17	.13	Petrol Oil & Gas	700	.15	.15	.13	.15
No	*.14	.08	Ranchmen's	......	......	.....	.....	.....
1	*.01	.00½	Regent	......	......	.....	.....	.....
No	*.02½	.01	Richfield	......	......	.....	.....	.....
No	7.10	6.00	Royalite	50	6.50	6.25	6.25	6.25
1	.11	.06	Sarnia Oil	6,500	.06½	.06½	.06	.06
1	*.03	.01	Signal Hill	......	......	.....	.....	.....
No	.07	.04	South West Pete.	......	.04	.....	.....	.....
1	*.30	.10	Spooner	......	......	.....	.....	.....
No	.15	.12	Sterling Pacific	......	.14	.....	.....	.....
	.43½	.43½	Trinidad Oil	......	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	......	......	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	*.09½	.03	Vulcan	......	......	.....	.....	.....
No	.01	.00½	Wainwell	1,000	.00½	.00½	.00½	.00½
			VANCOUVER STOCK EXCHANGE (Transaction for Week to April 4)					
25c	*.00½	.00½	Bayview	......	......	.....	.....	.....
1	.75	.60	B. C. Silver	......	.75	.....	.....	.....
20c	.05½	.02½	Beaver Silver	8,000	.04½	.04	.03	.04
1	.17	.14½	Big Slide	2,900	.15	.16	.15	.15
25c	.03	.02½	Bluebird	......	.02½	.....	.....	.....
No	2.50	1.38	Bralorne	10,737	2.25	2.50	2.25	2.45
1	.11	.05	Bridge River Cons.	132,350	.10½	.15	.11	.13½
100	89.00	88.50	B. C. Electric, Pfd.	20	89.00	88.50	88.50	88.50
1	2.85	1.50	Cariboo Gold	6,770	2.10	2.10	1.50	1.95
No	7.50	5.00	Coast Breweries	240	7.50	7.50	7.00	7.00
25c	.01	.00½	Cork Province	5,000	.00½	.01	.00½	.01
1	.02½	.02½	Cotton Belt	......	.02½	.....	.....	.....
1	.04	.00½	Dalhousie Mines	......	.02	.....	.....	.....
1	.44	.28	George Copper	100	.42	.40	.40	.40
50c	*.02	.01	Geo. Enterprise	......	......	.....	.....	.....
1	.03½	.02	Georgia River	1,500	.02½	.02½	.02½	.02½
1	.22	.16	Golconda	......	.18	.....	.....	.....
50c	.05½	.03½	Grandview	13,350	.05	.05	.04½	.04½
1	.00½	.00½	Independence	......	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.13½	.08½	Inter. Coal	500	.10	.13½	.13½	.13½
1	*.21	.21	Jack Waite	......	......	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.02	.01	Lucky Jim	......	.01½	.....	.....	.....
5c.	*.12	.04	Metaline Metals	......	......	.....	.....	.....
1	.01½	.00½	Morton Woolsey	......	.10	.....	.....	.....
50c	.03½	.00½	National Silver	26,700	.02½	.02½	.02½	.02½
50c	.07	.02½	Noble Five	16,250	.06	.06	.05½	.06
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	6.25	4.30	Pioneer Gold	5,130	5.70	6.25	5.65	6.20
50c	.08½	.04½	Porter Idaho	15,200	.06½	.06½	.06½	.06½
No	.00½	.00½	Premier Border	3,000	.00½	.00½	.00½	.00½
No	.20	.15	Reeves McDonald	......	.15	.....	.....	.....
1	.77	.60	Reno Gold	39,500	.66	.75	.66	.73
1	.02½	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.03½	.02½	Ruth Hope	......	.03½	.....	.....	.....
1	*.05	.02	Silverado	......	......	.....	.....	.....
25c	.04½	.01	Silver Crest	30,000	.04	.04	.03½	.03½
50c	.01½	.01	Snowflake	3,000	.01	.01½	.01½	.01½
1	.25	.25	Sunloch	100	.25	.25	.25	.25
No	*.06	.05	Vanalta	......	......	.....	.....	.....
50c	.08	.08	Wayside	1,000	......	.08	.08	.08
25c	.02½	.02½	Waverly Tangier	26,000	.02½	.02½	.02½	.02½
20c	*.02½	.01	Wellington	......	......	.....	.....	.....
1	.05	.03	Whitewater	......	.04½	.....	.....	.....

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	14.03	Merland Oils†	2½c.	....
Coniagas‡	12½c.	....	Noranda	*$1.10	....
Coniaurum†	3c.	....	Petrol Oil	°2c.	....
Cons. Smelters*	10%	....	Premier	12c.	20.3
Dome Mines	$1+30c.	7.02	Pioneer, B.C.	24c.	3.63
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c.	9.20	Siscoe	12c.	7.40
Howe Sound	40c.	....	Sterling Pacific Oil†	2½c.	....
Lake Shore	$2+$1	8.42	Sylvanite	4+1c.	5.55
McIntyre	$1.50	5.93	Teck Hughes	60c.	13.33
McLeod Oils‡	5c.	....	Wright-Har.	20c.	4.30

*Stock. ‡Interim. †Initial. °Paid in 1932.

Shawinigan Stock Control in Quebec

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s outstanding capital stock of 2,178,250 shares is spread over 19,992 shareholders, according to official information given in the Quebec Legislature. At the end of 1932 about 72 per cent of these shares were held in Canada, and 1,303,000, or 60 per cent, were held by 12,618 shareholders in Quebec Province.

This layout of Shawinigan shareholdings is of particular interest in view of the wide speculation over the past 18 months as to where control of the company lay. For many years past American interests had a substantial stake in the property and it was believed that the proportion of stock held in this country was well under one-half.

POWER SALES OF 40,000 H.P. HYDRO'S HOPE

(Continued from page 9)

to cost about $20 each, on the average. They remain the property of the hydro. The cost to the consumer of having a constant supply of, say, 30 gallons of hot water may be less than two dollars a month, depending on the nature of the heater installed.

An estimate of the cost in individual cases can be made from the following list of flat rates to be charged for heaters in representative Ontario centres:

Recommended Gross* Flat Rates per 100 Watts of Heater Capacity

	Cents		Cents
Barrie	46	Oshawa	50
Belleville	45	Ottawa	37
Brantford	40	Perth	48
Cobourg	50	Peterborough	46
Guelph	40	Port Hope	54
Hamilton	35	St. Catharines	35
Kingston	47	Stratford	41
Kitchener	39	Toronto	45
Lindsay	56	Windsor	41
London	40	Woodstock	40
Napanee	49		

*Net rate will be ten per cent less.

A 400-watt heater will be the smallest size installed. It is expected that 500 and 600 watt heaters will be the most popular installations. The Hydro suggests use of 400 and 500-watt heaters for a three-person household; 500 to 600 for four; 600 to 750 for five or six persons.

Approximate Consumer Cost

The approximate cost of a 500 watt heater, say, in Belleville or Toronto, would work out at $2.25 a month, less 22 cents, or $2.03. To this must be added a ten cent maintenance charge, to cover the cost of keeping the equipment in order. The maintenance charge will not be uniform for all sizes of heaters. Flat rates are higher than those quoted in centres where no water supply, through water works, is available. In Tweed, for instance, the rate recommended is 83 cents.

In cases where householders will require extraordinary peak supplies of hot water, "booster" heaters will be installed. The rates for power used by booster heaters will be the ordinary Hydro meter rates. Booster heaters will be installed on a monthly rental basis, amounting to 25 cents on a 1,500 watt heater, for example. To this must be added a five cent maintenance charge. The cost of boosters to the Hydro is expected to average $10 each.

Full benefit of the flat rate to the consumer using both booster and flat rate heaters is achieved by using thermostatic control of the equipment. The flat rate heater thermostat shuts off the power only when the water in the tank nears the boiling point. The booster heater thermostat shuts off at 125 to 135 degrees fahrenheit. The booster, therefore, does not stay in use when the flat rate heater can handle the heating job.

From the table above, and the information on other charges, consumers can calculate approximately what it should cost them to install one of the heaters.

Advantage to Hydro

The great advantage of this heater plan to the Hydro is that it is expected to provide a new constant load for surplus power. There is no peak load from use of heaters which will be in operation at all times, winter and summer, day and night. In this respect, they differ entirely from such appliances as electric ranges, which call for heavy peak loads. The cost of supplying power for heaters can, therefore, be worked out on a much lower basis than for appliances such as irons, ranges, toasters, etc.

In order to get the full benefit of this constant load, the Hydro will not allow use of the heaters in summer and cessation of such use in winter. This is likely to be desired by many prospective users who have water coils in their coal furnaces, which supply hot water in winter. The Hydro claims that it is uneconomical to have such coils in furnaces, at the rate they quote for electric heaters, and that coils can be removed and the heater used exclusively for supplying hot water.

Installations are now in progress in most Ontario centres outside Toronto. Some delay has been occasioned in Toronto because the Toronto Hydro wants to install tanks as well as heating equipment. One of the primary requisites for installation of the new heaters is that the tank be in good condition. Then the Hydro goes ahead and installs the heating equipment, including heater element, thermostat, tank insulation with galvanized outside shell, and wiring. An installation charge will be made only where it is necessary to do extensive wiring through partitions, etc.

Tanks Uncertain

The life of tanks is short because of rusting and formation of scale on the inside. The Toronto Hydro, therefore, would prefer to install tanks along with heaters, rather than take a chance on a poor tank. Such tanks would be sold to the user on an installment purchase basis. This has caused delay in arrangements for installations in Toronto and suburbs.

It should be noted that booster heaters are being installed on a rental instead of an installment purchase basis. They may, however, be given to the user at the end of five years, at the Hydro's option. The reason for this optional arrangement is that legal difficulties arose in connection with the purchase scheme. It was discovered that one tenant would perhaps be using a booster heater, and paying installments on it, and then another tenant might take it over and do the same. Thus the ownership might be vested in more than one party, which would cause legal complications. The Hydro, under present plans, will have the right to award the ownership as it sees fit.

Some of the rates quoted above may be revised. They are given in the form of recommendations to the local Hydro authorities, but are probably close to the actual rates which will be followed. But there may be adjustments, the Toronto rate being one of those in which a change may be made.

EMPIRE TRADE AGREEMENTS HAVING BENEFICIAL EFFECTS

(Continued from page 9)

exchange prevents development of much business.

Lumber—B. C. lumber firm reports obtaining larger share of United Kingdom and Australian business. New Brunswick firm reported to be shipping to United Kingdom for first time in many years. When and if exchange situation improves, sales of lumber in the Empire are expected to improve even more.

Leather and Tanning—Purchases of various types of supplies in the United Kingdom reported higher by a number of manufacturers. Exchange situation considered a deterrent to higher sales to Empire. Tanners have established agencies to handle larger purchases in Great Britain. Enquiries received from Empire buyers.

Textiles—Manufacturers of hosiery, underwear, silk goods, etc., negotiating to place their products in New Zealand, South Africa and British West Indies. Considerable diversion of purchases of supplies to United Kingdom from other countries. One textile firm reports receipt of very nice orders from Empire buyers; attributed to adverse exchange against United States. One Canadian manufacturer of velvets, etc. reports that he has to cease production of some lines due to Empire competition. Enquiries for some types of coarse textiles appear to have been made by various Empire countries, probably to take place of United States lines.

Tobacco—Sales to United Kingdom helped materially by extension of preference for ten years. Believed that the trade can be further extended.

Paper Goods—Purchases from United Kingdom of various types of fancy paper, writing paper, and paper for boxes reported substantially increased. Also includes various office sundries. Wall paper manufacturer reports he could not sell in United Kingdom at all except for the preference. Adverse exchange mitigates against increased sales to Empire.

Pumps and Machinery—One manufacturer reports increased sales to Australia, New Zealand and South Africa because of adverse exchange rate against United States. A maker of dairy machinery reports interested enquiries from Empire sources. A maker of screws and threaded products says only exchange rate is preventing large sales to Empire countries. A pump firm says it takes a long time to build a demand for its products in new markets. Machinery firms are buying from Empire sources due to exchange and preference advantages.

Rubber Goods—One hardware firm reports export business going from Canada instead of from United States. Certain materials are being purchased from United Kingdom, particularly raw materials and chemicals. One maker of rubber gloves has obtained substantial business in the United Kingdom.

Hardware Products—A carbon products manufacturer reports substantial increased sales to the United Kingdom. Canadian clock makers report greatly increased business in the Empire. Bonalite manufacturer has had fairly good Empire orders and expects more.

Miscellaneous—Canadian flour mills report they are getting grinding which was formerly done at Buffalo in bond. There is also considerable benefit from the Imperial preference on mill by-products. British millers are reported to be offering keen competition, however. Engravers and lithographers report that they are buying supplies advantageously from Empire sources, instead of from foreign countries. A brush manufacturer says he has noted a stimulus to his sales in New Zealand and South Africa. A manufacturer of printing inks reports that it is to his advantage to buy materials in the Empire instead of other countries.

Make Tanning Oil in Halifax

P. F. Wild of Canada, Ltd., a subsidiary of the Marden Wild Corporation of Somerville, Mass., U.S.A., expects to begin the manufacture of tanning oils in Halifax at once, according to P. F. Wild.

Newfoundland Notes

Retail business in Newfoundland is reported to be very poor. As a result, collections are reported to show the same tendency. There are understood to be about as many people receiving government relief this year as last. Improvement in conditions in the next six months is not considered a reasonable expectation.

A declining tendency in revenues of most government departments has made the financial position of the country more difficult. The problem of the governmental budget is now being investigated by a Royal Commission.

Manufacturing industries are reported to be working at from 50 to 80 per cent of capacity.

Mining at Buchans continues to operate at capacity. Operations at the Bell Island Mines are on a small scale, and early improvement is not expected.

Codfishery stocks are low and supplies are being marketed satisfactorily. Firmer and higher prices have been recorded. Fish prices in Oporto and Spain have been higher. Lenten requirements have increased demand. Brazil is reported well stocked with cod. Italian and West Indies markets have been steady and stocks are being absorbed. An English company is entering the bank fishery this spring, and will employ Newfoundland men.

S. S. Eagle, one of the six steamers which comprised the sealing fleet this year, is on her way back to St. John's with about 29,000 seals on board. Total catch for the fleet to April 10 was 125,000 compared with onyl 46,000 last season. The Imogene has 40,000 seals on board while the Ungava also has a large catch.

Halibut fishery has been almost a complete failure. Total catch is estimated at 10,000 pounds, compared with 130,000 pounds in 1932. Prices have been high due to scarcity of fish.

Cod liver oil stocks are low and prices were firm in March.

Lumber and paper industries have been moderately active. Government contract to supply 40,000 cords of wood to a Welsh firm has been completed, and delivery of the wood is starting. Grand Falls paper mill has been operating at capacity of 400 tons a day, Cornerbrook at 70 per cent of capacity, or 275 tons per day.

Continental Distilleries, Ltd., expects to commence operations in St. John's West during April. Both a distillery and glass factory will be operated. J. J. Miller, secretary-treasurer, stated that at least four hundred men will be employed if plans are carried to completion.

PRUE

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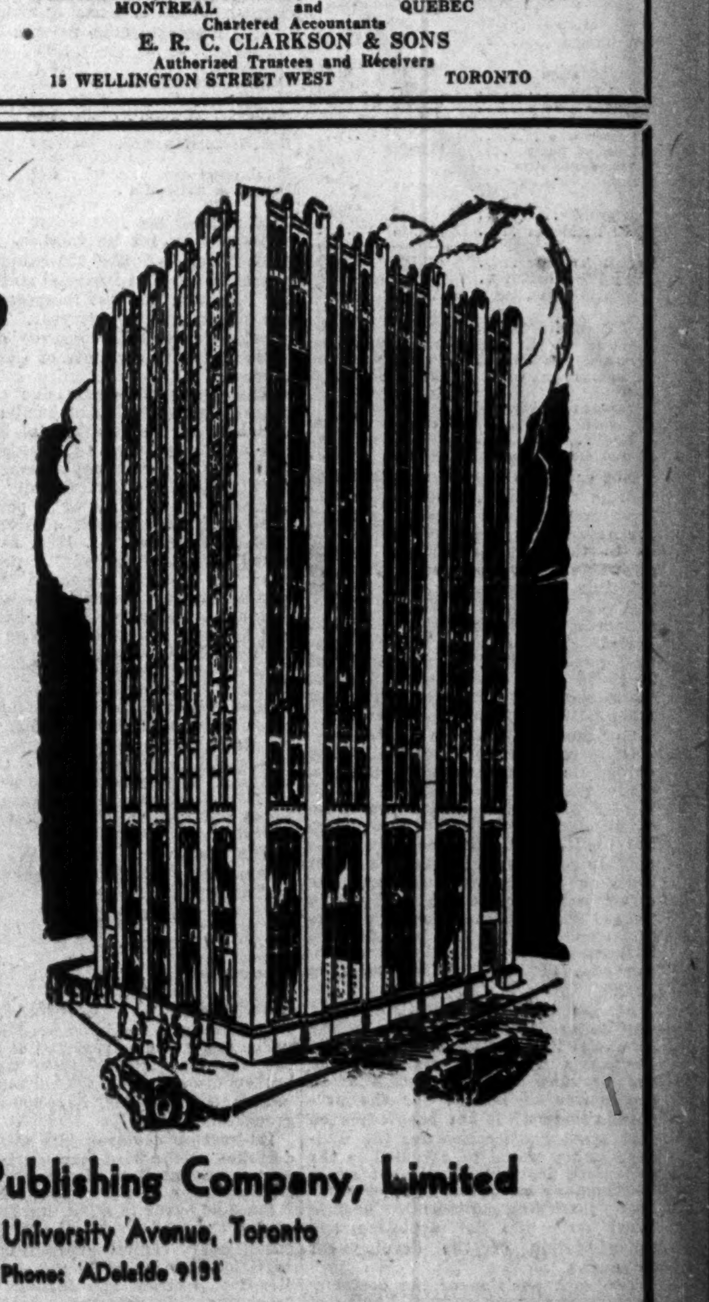

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Canadian Mining News

PLATINUM MEDAL GIVEN BY NICKEL SYMBOL OF HONOR

First Recipient is J. J. Denny—Design By Dr. McKenzie

The first platinum medal ever established by any of the world's great scientific societies was awarded to James J. Denny last week at the 34th annual convention of the Canadian Institute of Mining & Metallurgy by Robert C. Stanley, president of the International Nickel Co.

The medal was offered for award through the Institute by the International Nickel Co. of Canada as part of its observance this year of the 50th anniversary of the discovery of the nickel deposits in the Sudbury district of Ontario. The citation is "Award for Distinguished Service to the Canadian Mineral Industry." It is to be offered annually, the award to be made at the discretion of the Council of the Institute.

The design of the medal is by Dr. R. Tait McKenzie, R.C.A., Canada's internationally - known sculptor and medallist. It is three inches in diameter and being of solid platinum is in itself of considerable intrinsic value.

The selection of the recipient of this first award met with popular acclaim among Canadian mining men.

Platinum an Honor Metal

The selection of platinum for the medal is a happy choice being a product of the Sudbury ores, which makes Canada one of the world's greatest sources of platinum and platinum metals. The position platinum enjoys in public esteem makes it the unique symbol of supreme achievement and the selection of the metal by the International Nickel Co. gives the distinction to the Canadian Institute of Mining & Metallurgy of being the first great scientific society to recognize platinum as a metal of honor.

Dr. McKenzie is as representative of Canadian art as platinum is representative of Canada's position in mining, therefore, to the recipient of the medal goes the recognition of the highest honor in the mineral industry of Canada. Dr. McKenzie has many notable works of art to his credit including the Scottish-American War Memorial at Edinburgh, Scotland; the War Memorial at Cambridge, England; the Delano Memorial, soon to be unveiled in Washington, D.C., the Confederation Memorial in Ottawa, and many medallions of note.

AJAX OIL REPORT SHOWS DIVIDENDS FAR FROM EARNED

Initial Dividends Paid When Earnings Low—Cash is Weak

The justification for the disbursement of dividends by Ajax Oil & Gas Co. last year is made no clearer by the annual report just issued over the signature of F. L. Culver, president of the company, covering the year ended December 31, 1932. Net profits were $35,542 as compared with a loss of $15,915 in the previous year. Initial dividends of $118,454 were disbursed in 1932 at the rate of 12 cents per share, despite the accumulated deficit of $129,993.

The following consolidated tabulation gives comparative income and surplus account figures for the past two years for the company and its United States subsidiary, the Chatham Oil Co.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1932	1931
	$	$
Net income	139,798	228,129
Less:		
Depreciation	22,246	20,236
Depletion	34,568	93,057
Devel. costs	14,468	96,714
Income tax	340	2,697
Leases w/o	†32,634	....
Loss on equip.		84
Abandoned roys.		8,249
Devel. costs w/o	....	23,007
Net profit	35,542	*15,915
Less: Dividends	118,545	....
Deficit for year	83,003	15,915
Add: Prev. deficit	46,990	30,496
Adj. 1930 inc. tax	....	579
Deficit carried fwd.	129,993	46,990

*Loss. †In respect to non-producing royalties, loss on sale of equipment, and in connection with acquiring productive leases.

Earnings per Share & Dividend Record:

Earned	$0.036	nil
Paid	0.12	nil
Shares Outstanding	987,875	987,875

Net earnings showed a substantial decline from the previous year and are accredited to the lessened demand for natural gas and crude oil as well as to the very drastic cut in the allowable production under proration schedule. Natural gas sold during the year amounted to 203,718,327 cu. ft., while oil sold amounted to 148,412 barrels. The price received for natural gas remained as previously at 25 to 30 cents per thousand cu. ft., while the price of crude oil ranged from $1.10 to 73 cents per barrel.

Small Interest in Texas

One commercial gas well was drilled in Norfolk county, Ontario, while two other wells were drilled jointly with others which proved to be dry holes. A subsidiary company, the Chatham Oil Co., under a partnership agreement, drilled two offset wells on the Fenton lease and three offset wells on the Corbin lease in Texas. The total development costs of the company for 1932 were $14,468, indicating a very small interest in the cost of drilling five wells in Texas.

At the time the initial dividend was declared in March last year The Financial Post called attention to the company's weak financial condition and brought up the question as to the source of income for the proposed dividend. It has been expected that some justification for the dividend policy would be revealed in the statement just published, but again the company has failed to show earnings justifying dividends despite lower write-offs for depletion and the omission of the development write-offs.

The cash position of the company remains weak with current liabilities totalling $42,600, while current assets total $18,655.

The annual meeting of the company is called for April 17 in Toronto.

Dome Mine Write-offs Drop Net Profits Below Higher Dividend Demands

Net Profits 90 Cents Per Share After Reserve of $1.13

ORE RESERVES UP

Greater Production Obtained From Less Tonnage With Costs Per Ton Higher

Due to heavy write-offs on securities held, Dome Mines failed to earn its entire dividend in the fiscal year ended Dec. 31, 1932. Net profits were $833,670 after reserve for securities and contingencies amounting to $1,077,730, making the net profit equal to 90 cents per share on the 953,334 shares outstanding as compared with dividend requirements of $1.40 per share.

The following tabulation gives income and surplus accounts for the past two years:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932	1931
	$	$
Bullion prod.	4,040,318	3,486,506
Less oper. expenses:		
Mining	709,004	622,576
Devel. & explor.	444,268	412,743
Crush. & convey.	96,187	86,872
Adminis. & gen. exp.	174,383	172,317
Milling	608,446	541,053
Insur.	16,095	18,403
Taxes	33,930	35,237
Oper. earnings	1,958,005	1,597,305
Add non-oper. rev.:		
Discounts earn.	834	1,484
Miscellaneous	285,913	41,776
Bond int.	212,519	225,644
Interest	7,129	5,538
Dividends rec.	20,836	....
Net earnings	2,485,236	1,871,746
Less reserves:		
Inc. taxes	288,970	180,921
Depreciation	200,000	200,000
Depletion	....	500,000
Sec. contingencies	1,077,730	....
Outside explor.	64,866	....
Net profits	853,670	990,825
Previous surplus	2,202,809	2,283,973
Dividends	1,334,667	953,334
Less:		
Bonus to emp.	23,825	21,120
Silicois assess.	83,396	29,701
Exper. w/o	....	67,834
Balance forward	1,614,599	2,202,809
Earnings per Share & Dividends:		
Common: Earned	0.90	1.04
Paid	1.40	1.00

From the standpoint of production the year was one of the best in the company's history with the value of the bullion, without exchange compensation, $4,040,318—a substantial increase over the previous year despite the lower tonnage treated. Non-operating income totalled $527,232, including miscellaneous items of $285,913. Exchange compensation is not shown as such, which leaves some confusion as to income from this source. Having regard for the average exchange compensation paid by the mint during 1932 it was expected that this source of income would be close to $500,000.

The following is a summary of production since inception of operations, together with costs for the past two years.

Summary of Production
Years Ended Dec. 31

	Tons milled	Prod.	Recov. per ton
		$	$
1910	247	4,855	17.60
1911	...	4,277	20.66
1912	75,088	737,499	9.82
1913	131,149	1,242,625	9.32
1914	221,390	1,059,238	4.33
1915	317,740	1,530,287	4.81
1916	444,900	2,154,820	4.84
1917	359,570	1,480,174	4.15
1918	Clean-up	82,127	...
1919	187,580	1,290,301	6.87
1920	295,220	2,020,568	6.84
1921	335,680	2,290,264	6.82
1922	368,400	4,178,936	11.35
1923	399,800	4,374,144	10.94
1924	493,400	4,307,624	8.73
1925	530,200	4,365,923	8.23
1926	555,700	3,940,053	7.09
1927	543,300	4,031,575	7.42
1928	548,000	3,915,051	7.14
1929†	452,900	3,590,537	7.58
1930†	67,600	774,943	5.89
1931	542,600	3,486,506	6.43
1932	536,450	4,040,318	7.53
		54,902,145	

†Production includes recoveries from mill clean-up after fire, of $157,646 in 1929, and $377,202 in 1930, or a total of $534,848.

Production Costs Per Ton

	1932	1931
	$	$
Devel. & exploration	.83	.76
Mining	1.32	1.15
Milling	1.31	1.15
Taxes	.60	.40
Gen. & adminis. exp.	.36	.35
Total oper. exp.	4.42	3.81
Deprec. & write-offs	.37	*1.29
Total cost per ton	4.79	5.10

*Includes 92c. per ton depletion.

The item of $500,000 which appeared in the 1931 financial statement for depletion has not re-appeared in the statement for last year. This is purely an arbitrary reserve and is seldom seen in accounts of Canadian mines.

The heavy write-offs due to the present market value of bond securities held represent a loss of $1,423,919 or 32 per cent. In comparison with this the company's investment of $1,106,802 in East Geduld Mines shares shows a profit of 29 per cent.

In analyzing the list of securities held on December 31, 1932, as compared with the end of the previous year, few changes are noted. United States railway securities still predominate. Securities held a year ago and not now included in the portfolio include 10,000 Baltimore & Ohio Railway Co. bonds and 50,000 St. Louis & Southwestern Railway bonds. The additions to the investment portfolio include 100,000 Canadian Pacific Railway ten-year collateral trust bonds, $100,000 Dominion of Canada National Service Loan, $100,000 City of New York special corporate stock notes and $100,000 United States certificates of indebtedness.

The following tabulation shows comparison of working capital for the last two years:

Working Capital

	1932	1931
	$	$
Current assets	6,113,371	5,081,429
Current liabilities	867,771	599,471
Working capital	5,245,600	4,481,958

Ore reserves again showed an advance and are now reported at 2,000,000 tons including 723,960 tons of broken ore of which 285,000 tons are in the sediments and 1,715,000 in the greenstones.

Interesting developments were undertaken at the 23rd level during the past year, but H. P. Depencier, general manager of the company, states it must be borne in mind that to mine ore on the 23rd level or below it will entail heavy capital expenditure and sufficient evidence is not yet disclosed to warrant any definite plans regarding this discovery. Much development work and diamond drilling will be necessitated before they will be able to decide whether it will add materially to the known ore reserves.

Awarded Inco Medal

J. J. DENNY, mill superintendent at McIntyre Porcupine Mines, who is the first recipient of the International Nickel Co. platinum medal, for distinguished service to the Canadian mining industry.

Pioneer Gold Nets $115,000 During March

Advice from Vancouver states that the net profits of Pioneer Gold Mines of B. C. were approximately $115,000 for March, the last month in the company's fiscal year from a gold recovery of $165,000. This compares with $98,231 in December and $41,182 in November.

During March the mill averaged 298 tons of ore daily—the highest monthly tonnage since the increase in the mill capacity last autumn, from 100 tons daily.

Reports on underground development continue most favorable with the seventh level or 875 ft. horizon below the main tunnel showing a continuous ore length of 2,380 ft. Development carried east of the fault, which has previously been considered as the limit of the vein system, continues favorable. On the tenth level development work carried 520 ft., east of the fault reveals the same conditions as on the seventh level beyond the fault. On the fourteenth level, or at a depth of 1,750 ft., drifting has been carried 300 ft. to the east with a further 1,500 ft. to go before encountering the fault zone. Good values are reported in this deepest work.

Indications are that March recovery was over $18 per ton of ore treated, while the net profit, based on the outstanding shares last shown, was close to a rate of 79 cents per share.

God's Lake Gold Mines

First diamond drilling results by God's Lake Gold Mines in Northern Manitoba, show free gold was encountered in the first hole at a depth of 112 ft. Complete core assays are not yet available.

J. J. Denny's Achievements Win Popular Recognition

Recipient of First International Nickel Award is a Self-made Metallurgist

James J. Denny, the first recipient of the International Nickel Co.'s platinum medal, needs no introduction to Ontario mining men. His retiring nature has obscured achievements that he speaks of lightly, but which finally have won recognition with the most coveted of awards in Canadian mining circles.

In the rôle of mill superintendent for the McIntyre-Porcupine Mines one might regard his daily task as a prosaic one, but to visit the mine with its plant par excellence one recognizes a monument to his achievements far surpassing emblematic medals or words of praise. The McIntyre-Porcupine mill and surface plants have been pronounced the finest gold mill in the world, not alone for the fine, modern buildings and mechanical equipment but because of the metallurgical practice which has resulted from the research in the treatment of gold ores by Mr. Denny.

A Product of Kingston

Turning back the pages of time some 35 years we find him an assiduous youth in Kingston, Ontario, a city which has become world famous for its mining men—products of Queen's University. As a youth of tender years we find him at the university bent more on assimilating knowledge of the sciences than the small remuneration he received as laboratory assistant. Steeped in the environment created by such men as Dr. Miller, Professors Nichol, Brock and Goodwin, it is little wonder that he developed a thirst for the study of minerals although at one juncture dentistry and the medical profession nearly lured him from what has proven to be his life work. About 1907 we find him with a survey party in British Columbia under Professor Brock. This, his first contact with practical mining, soon brought him to Cobalt, then a young camp, with a job as assayer at the Coniagas Mines.

It happened that the manager of Coniagas was Fraser Reid, another Queen's man and pal of Mr. Denny's who has also won fame for his achievements. Here, as a protege of Mr. Reid's, Mr. Denny's ability was soon recognized as he extended the working day well into the night studying to develop new wrinkles that would lighten the burden of treating the cobalt ores.

Had Laboratory Environment

It may sound strange to learn that Mr. Denny grew up in the laboratories of Queen's University yet did not take a degree there. Particularly is this strange when one reflects on the important metallurgical work that marks achievements so outstanding in the eyes of leading mining men. Always an ardent student, he employed his spare time in studing the achievements of others or in the laboratory. He has been able to demonstrate that lack of a university degree need not prevent a man reaching the highest rung on the ladder of success in a field usually considered the realm of the university trained man.

MAYLAND REPORTS $45,141 NET PROFIT

Previous Liability Converted Into $27,417 Working Capital

Annual report of Mayland Oil Co., a Turner Valley subsidiary of Royalite Oil Co., showed a net profit of $45,141 for the year ended December 31, 1932, as compared with a loss of $13,985 the previous year.

The following tabulation gives comparative figures for the two years:

Income and Surplus Account
Years Ended Dec. 31

	1932	1931
	$	$
Crude naphtha sales	166,047	288,982
Gas sales	754	1,349
Gas cons. in oper.	360	900
Transfer fees	....	....
Misc. income	....	1,814
Total income	173,751	293,045
Less: Prod. exp.	....	....
Adminis. & gen. exp.	23,207	75,323
Royalties	20,850	36,160
Taxes	3,412	3,616
Sundry exp. & losses	1,979	89,780
Net earnings	124,303	88,166
Less: Depr. & deplet.	68,138	94,345
Inc. tax res.	3,520	7,537
Bad debts res.	2,862	269
Net profit	45,141	†13,985
Prev. surplus	456,456	522,098
Less: Adjustment	2,862	51,657
Bal. carried forward.	498,735	456,456

†Deficit.

The total production of discolored and crude naphtha marketed from the company's wells was 55,117 barrels in 1932 as compared with 104,956 barrels in 1931.

The balance sheet of the company as at December 31, 1932, reflected improved earnings with a net working capital of $27,417 as compared with $79,510 in current liabilities over current assets the previous year.

The annual meeting of the company is being held in Calgary April 18.

Siscoe Reports Output $95,360 During March

Production by Siscoe Gold Mines for the quarter ended March 31, 1933, totalled $256,068 exclusive of exchange compensation estimated at $48,437. This is the largest quarterly production yet reported and compares with $249,316 for the last quarter of 1932. During the first quarter of 1933, 15,045 tons of ore were milled with an average recovery of $17.02 per ton. The mill averaged 167 tons daily. March recovery was the highest of the three months under review with a production of $95,360 and the recovery averaging $19.93 per ton. Mill tonnage was somewhat lower averaging 154 tons daily.

At the annual meeting of the company it was announced that the mill was now prepared to treat 250 tons of ore per day and that the mine will be operating on this increased tonnage basis by the middle of May.

Howe Sound Disclaim Interest in Pioneer Ex.

Officials of Howe Sound Co. advise The Financial Post that the recent report that control had been acquired of the Pioneer Extension property at Cadwallader Creek, B.C., is unfounded, nor has it any intention of becoming interested in this property.

A few days ago advice from British Columbia stated that Howe Sound through its subsidiary, Britannia Mining & Smelting Co., had acquired the Pioneer Extension in which Home Oil Co. was interested.

Quebec Gold Output Declines In February

Gold production in Quebec amounted to 27,306 oz. in February, 1933, as compared with 33,041 oz. in January and as compared with 29,989 oz. in February last year. The decline can be attributed to the curtailment in operations at Noranda while repairs were being effected on one of the reverberatory furnaces.

Silver production showed a corresponding decline with an output of 34,975 oz. in February as compared with 44,788 oz. in January and as compared with 49,835 oz. in February, 1932.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,803. Dividends for 1932 amounted to $16,015,018.

Ontario Department of Mines,
HON. CHARLES McCREA,
Minister of Mines

Barry-Hollinger Centres All Work on Exploration

Barry-Hollinger Gold Mines has made a final clean-up of the mill and produced a gold brick valued at $16,070, preparatory to suspending operations, while work is concentrated on the development programme.

James Houston, mine manager of the property, states that, in checking over the recovery, approximately $21,000, exclusive of premium, could be credited to the 1932 production, resulting from this last clean-up and the slag. Had this production been credited to 1932 output, as is customary, it would have increased the millheads about 60 cents per ton and a profit instead of a loss would have been shown in last year's operations.

The mill tanks have now been washed out and everything in connection with the mill has been cleaned up and the crew laid off, in accordance with the announcement made at the annual meeting.

Pend Oreille Plans Resuming Operations

L. P. Larsen, president of Pend Oreille Mines & Metals Co., has announced that milling operations will be resumed forthwith at the company's property just south of the international boundary on the Pend Oreille River, and that a contract has been made with the Tacoma smelter for disposal of the zinc concentrates.

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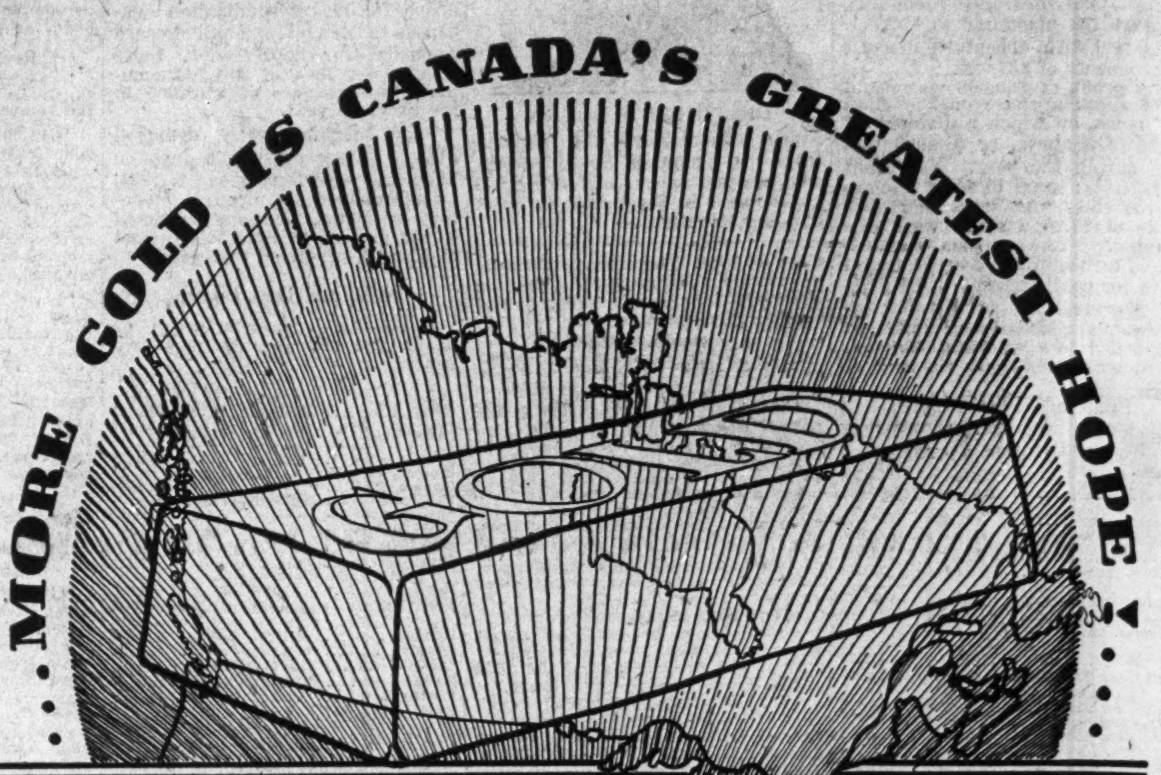
MORE GOLD IS CANADA'S GREATEST HOPE
GOLD

Putting Faith and Funds Behind

THE GREAT NEW BELT OF QUEBEC'S GOLD DEPOSITS

LIKE coming upon wonderful, new treasure cities in the deep forest, is this business of forging the golden chain across whole provinces of the Canadian North. Already these depositories of Nature's primal wealth have yielded to Canada more than $900,000,000 of the royal metal.

First, gold gave Canada "the flaming Yukon" and the gold camps of the Rockies; then came Ontario's day, with Porcupine causing the world to turn its attention to a little mossy outcrop in the back country. Later came the discoveries of Kirkland Lake, where the richest and probably the largest deposit known to this continent was found, and scarcely credited in its early days.

These gold deposits for years were called delusions and traps for the investor; until the time came when Old Mother Nature had built so many fortunes and given so freely of this Pre-Cambrian wealth, that few could remain skeptical.

Yet up to 1922, it appeared as though Quebec, the big Twin Sister of Ontario, had been ignored in the lavish handing out of mineral gifts. In other words, the sister province of Quebec had produced barely a dollar in gold and had no proven gold mines whatever.

Even her first great mine—Noranda—appeared to be a producer of commercial metal with a small gold content. This was a wonderful mine, but there is always the greater romance in gold, and Quebec seemed fated to a more drab existence than Ontario with her rich constant flow of the precious metal.

Yet again, this old Pre-Cambrian mother of minerals was to show how capricious she could be—for when copper prices fell, she gave forth gold ore bodies of tremendous size, so that today this "copper" mine reports the largest gold ore reserves of any mine on this continent—$85,000,000 and all of this rather imposing vault full of wealth above 2,500 feet, with thousands of feet, at deeper horizons, still to be explored.

Not content with showing such generosity, again, this Patroness of the Art of Gold-finding, opened up more and more fields and areas, until today the Province of Quebec—which did not dream of big gold production even in 1927, when her gold yield was a scant $175,000—has found, developed and is about to produce gold from eight to a dozen new discoveries.

Quebec actually is growing at a faster rate in gold production today than Ontario in the same period of early development. Her annual production is now more than $10,000,000 and, in a few years, should be double that amount, according to authorities.

The great gold belt in which Quebec is developing her new mines is 120 miles long and, in some places, 60 miles wide. Even these dimensions may be extended any day by new discoveries. Millions of money are being spent along this belt today by the largest mining operators of Canada.

Not only is Quebec destined to become one of the world's leading areas in the production of gold, but the geologists and engineers who operate her mines are only now beginning to appreciate the magnitude and possibilities in regard to the rock formations in which Quebec gold occurs.

The word grano-diorite, for instance, is one that carries great significance to the mining man in Quebec today. He has learned, from experience, that the most favorable loci for the deposition of the rich Quebec gold ores are at or near the grano-diorite-Keewatin contact areas.

A dozen properties which, today, are undertaking or approaching production stake their hopes on the grano-diorites and the veins found along grano-diorite contacts. It is a good word for the investor to observe and to understand.

But, to return to this great Quebec gold belt; it is a part of that belt which embraces Kirkland Lake and other more westerly Ontario camps of undoubted promise; and in Quebec it includes Noranda, Granada, Siscoe, The Beatty, The McWatters, Greene Stabell, Treadwell-Yukon, Galatea, Sullivan, the several properties of Hollinger and Teck Hughes, the Stadacona and the O'Brien Cadillac. Of the foregoing, a number are producing or nearing production. There are many promising prospects throughout the Quebec gold areas.

We have undertaken the financing of one of the most interesting properties in this Quebec gold belt, and, governed by the best engineering advice available, production from ore reserves already developed is being prepared for immediately. This property has unquestionable possibilities both in the areas of its older workings and in the extensive and more important grano-diorite areas which are revealing consistent ore in nearby properties.

We will describe the area in which this property is located in the next issue of "Canada's Gold"; the same issue will give greater detail regarding the likelihood of the Quebec gold areas adding materially and rapidly to Canada's gold resources—new resources taken out of the ground and set to work in many spheres of activity; resources for which the world today pays its highest price in history and tomorrow may pay more; resources which are most acceptable to the investor in the form of appreciated values and dividends. A copy of "Canada's Gold" will be forwarded on request.

In conclusion, we desire to say to the hundreds of investors and financial institutions who have written letters of appreciation to us that we are backing our words with our faith and our funds.

Division of Northern Canada Golds
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Investment Bankers
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